CORPORATE SOCIAL RESPONSIBILITY, MULTINATIONAL OIL COMPANIES AND LOCAL COMMUNITIES IN THE NIGER DELTA: EXPLORING RELATIONS, CONTRACTS AND RESPONSIBILITIES

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CSR, Multinational Oil Companies and Local Communities in the Niger Delta: Exploring Relations, Contracts and Responsibilities

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ABSTRACT

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Keywords: Host Communities, Niger Delta, Nigeria, Corporate Social Responsibility, Stakeholder Theory, Psychological Contract, Corporate Social Performance, Multinational Oil Company, Livelihoods and Crisis

Corporate social responsibility (CSR) has been a subject of increasing interest among academics and business practitioners globally. This thesis contributes to the discourse on CSR in the context of the Nigerian oil industry with regard to corporate-community relations. Specifically, the thesis constitutes a critique of CSR initiatives by multinational oil companies (MOC) operating in the Niger Delta region and their impact on the traditional livelihoods of local communities. The research attempts to understand the link between CSR and Psychological contract from the perspective of both the host communities and the MOCs. This thesis examines community perceptions, expectations and seeks to interpret the relationship between the host communities and the MOCs. The study provides empirical data through the use of twenty-eight semi-structured interviews and three focus groups. This is significant given that most of the research conducted into CSR in this region has been limited to descriptive and extensive theoretical explanations. Findings from the research suggest that the relationship between the host communities and the MOC is a very complex one and that the impact of the MOCs activities can be interpreted from the host communities' negative actions. The thesis makes an important contribution to the emerging literature on social license to operate (SLO) and in what manner the local communities seek to enforce it. It also offers an alternative approach to CSR based on need assessment and stakeholder involvement rather than corporate obligations and expectations from society in general.

DEDICATION

.....to God Almighty, without him nothing happens

.....to my beloved husband, Oliver Oji Enuoh for contributing immensely to whom I am today

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CHAPTER 1

INTRODUCTION

1.0 Introduction

There is growing concern regarding the activities of business in society. Much attention is drawn to the changing nature of the relationship between corporations and society which has increased the demand for organisations to recognise their corporate social responsibility (CSR). This thesis contributes to evolving debates on CSR and in the Nigerian oil industry in particular. The central aim is to develop an in-depth understanding of the relationship between the host communities and the multinational oil companies (MOCs) that establish subsidiaries in the Niger Delta region. This is an attempt to better understand the present situation in which, despite significant increases in CSR initiatives by the MOC on community investments, they are still unable to secure the social license to operate and are instead faced with criticisms, confrontational attitudes and constant conflicts with their host communities.

Analysis of the research is geared towards understanding the interplay between the perceptions and expectations of oil companies, the experiences and views amongst host communities and, to a lesser degree, the views of each group (companies and host communities) of the role of the government in terms of legislation and the use of revenue from oil extraction. This is undertaken through an assessment of the oil companies' activities, their commitment to CSR and the impact of oil extraction processes on traditional livelihoods of local

communities. The research deploys qualitative methods of data collection and analysis.

1.1 Background to the Research

As earlier highlighted, this thesis explores CSR in the context of the Nigerian oil industry with regard to corporate-community relations. It specifically considers the oil multinationals operating in the Niger Delta region and their part in social, economic and political issues regarding their activities. The oil sector has experienced increasing pressure from the Nigerian government as well as the local people of this region in recent decades due to the dependence of the Nigerian economy on crude oil which was discovered in 1956 (Evuleocha 2005; Idemudia and Ite 2006b; Eweje 2007). The exploitation of commercial quantities of crude oil began in 1956 (Idemudia 2010b). Nigeria produces approximately 2.3 million barrels of crude oil a day and has estimated oil reserves of 22.5 billion barrels mostly found in small fields in the coastal area of the Niger Delta region (Ajibade and Awomuti 2009). Most of the oil exploration and production activities take place in the Niger Delta region (NDR) consisting of nine of Nigeria's 36 states (see Chapter 4).

The NDR plays a significant role in the Nigerian economy because crude oil is the main source of the country's foreign exchange earnings and federal revenue (Evuleocha 2005). Oil provides about 90% of Nigeria's foreign exchange earnings and 80% of annual federal revenue. In spite of the enormous earnings from the region's oil and gas deposits, it remains the poorest in the country (Aaron 2012a). Petroleum profits have brought huge benefits to Nigeria as a

whole, but very little to the local communities where the oil is being extracted (Evuleocha 2005). Lack of development, widespread poverty, feeling of marginalisation and discontent among the people of the Niger Delta have resulted in constant conflicts and crisis (Afinotan and Ojakorotu 2009).

There have been repeated agitations and sometimes violent acts by many host communities to protest concerning what was perceived as the suppression and denial of their rights to development. These tensions have affected not only the oil companies but the government as well. Instability in the region for the past two decades has severely disrupted the expansion of crude oil production and invariably revenue generation (Orogun 2010). The discovery of oil in this region is often seen as good fortune to the Nigerian nation but is also seen as having serious negative impact on the people of the NDR (Idemudia and Ite 2006b). The inability of the Nigerian government to meet the needs of the oil producing communities has therefore increased the expectations from the multinational oil companies for greater investment in CSR to improve their standard of living (Frynas 2005). The conflicts arise from the disagreements with the Federal Government over the ownership and control of oil resources as well as agitations with the oil companies over the benefits and negative impacts of oil extraction processes on their environment (Ako 2012).

This research is pertinent in exploring how CSR can be used as an effective means of reducing the crisis in the NDR (Idemudia 2010b; Ako 2012) through socially acceptable business practices. This is borne from the assertion by (Crane and Matten 2010) that business should contribute to solving social problems which may be caused by their activities (such as pollution) or some

other causes. The research is also relevant in exploring how CSR undertaken by multinational oil companies can achieve desired positive impact (Ejumudo et al. 2012) in order to enhance mutual understanding and peaceful coexistence between the host communities and the oil companies. It is one of the intentions of this thesis to contribute to this area of study by providing guidance on what could constitute effective CSR.

There is a growing body of literature that recognises the importance of CSR in society (Lea 2002; Hopkins 2006; Griseri and Seppala 2010; Kim et al. 2016). CSR has become imperative for most businesses and organisations as it can contribute positively to economic, social and political development especially in developing countries (Ako 2012). Despite the failure of scholars to provide a universally acceptable definition of the term (Wan Saiful 2006; Dahlsrud 2008) due to different explanations and interest, there is a need for a contextual definition. Dahlsrud (2008) describes CSR as a phenomenon that is socially constructed which can only be understood by the way it is defined. However, recent developments in CSR tend to disregard the definitional problem but rather emphasise the need for corporations to focus on identifying the groups to which they must fulfil their responsibility, promote a good relationship with them and establish how to engage in more effective CSR (Kim et al. 2016).

In this thesis, therefore, CSR is viewed as the means by which society's values and expectations are integrated into corporate behaviour (Griseri and Seppala 2010). In other words, corporations are expected to contribute to good society by improving the standard of living amongst locals through good business

practices. Though there seems to be an agreement on the need for CSR, there is a great deal of debate as to what constitutes responsible behaviour and the limits of such responsibility. This research therefore, focuses on the local communities' expectation of a firm to increase its positive impact and reduce its negative impact on the society in which it operates.

Existing research recognises the role played by multinational oil companies in CSR initiatives in the Niger Delta region (Ite 2007b). MOCs have embarked on various projects aimed at reducing the suffering of people who have been adversely affected by oil-related activities and to create an enabling environment for their continuing business (Ejumudo et al. 2012). Tuodolo (2009) asserts that most of the services and infrastructure provided by some oil multinationals in the local communities in this region were either previously absent, insufficient or not functional. However, the processes of delivering CSR programmes by multinational oil companies indicate that the negative impacts often outweigh the positive benefits CSR brings to local communities (Tuodolo 2009; Aaron 2012a).

The negative impacts of oil spillages and gas flaring have adversely affected the people. Ako et al. (2009) opine that incessant and repeated oil spillages within this region by oil companies has destroyed the farmlands and polluted the water/fish ponds of villagers living near those facilities and has also led to wildlife migration. These have contributed to the loss of traditional livelihoods and the means of survival of the local communities (Idemudia 2009) who

depended on them. The toll of oil exploitation activities on the people of the Niger Delta, suggests that the CSR undertaken by the oil corporations is not having the desired positive impact (Ejumudo et al. 2012) hence the cause of conflicts. Although the conflict issue in this region is multi-faceted, an understanding of the major causes is a significant step to finding a solution.

The central argument of this thesis as discussed in chapter 8 is that CSR could be a means of reducing the Niger Delta crisis if effectively implemented. However, the successful implementation of a CSR initiative largely depends on the involvement of the host communities from its initial planning to its execution stage which could also be referred to as stakeholder engagement as identified by (Heravi et al. 2015). The *stakeholder model* (Freeman 1984; Mitchell et al. 1997; Donaldson 1999; Fassin 2009; Manal El and Cornet 2012) is largely used to explain the relationship between the MOC and its host communities. Furthermore, as upheld by the *notion of social license to operate (SLO),* this study lays emphasis on corporate activities that hinges on ethical considerations of MOCs activities in order to obtain the consent, acceptance and support of local communities. Previous research has shown that traditional livelihoods have been lost due to oil exploitation as opined by Idemudia (2009). The SLO therefore buttresses the need for more positive impacts of a firm's activities which are not only about "doing good" (Marom 2006; Wood 2010) as sometimes assumed, but doing what is right. However, constant protests by the host communities attest to their displeasure over the MOC's actions (Newell 2005; Tuodolo 2009), hence the demand for more benefits.

This thesis also establishes the existence of mutual expectations between the host communities and the MOC of input and output which is similar to that of a *psychological contract* (Raulapati et al. 2010). The host communities demand more benefits from the MOC in exchange for oil exploited from their land while the MOC expect cooperation and peaceful coexistence with the host communities. This thesis provides evidence to suggest that the perception of imbalances in the anticipated benefits from a relationship could negatively affect such a relationship. The interplay between *stakeholder approach*, *Social licence to operate* and *psychological contract theory* as identified in this thesis was not identified in previous research and therefore, this thesis in this way contributes to management theory. In addition, it offers a better understanding of the phenomenon. Furthermore, the thesis asserts that there is no difference in corporate –community relations between on-shore and off-shore oil production as both tend to have long term negative impact on the host communities.

The research adopts an exploratory case study using semi-structured interviews and focus group discussions. The semi-structured interviews were conducted with participants from the host communities, the multinational oil companies and the Niger Delta Development Commission (NDDC) while the focus groups were conducted with participants from the host communities only as it was not possible to organise any with the MOC. However, additional data were obtained from documentary materials from the annual publications and periodicals of the MOC and NDDC.

1.2 Aims and Objectives

As outlined above, this study is aimed at understanding the relationship between the host communities and multinational oil companies with regards to CSR in the Niger Delta region (NDR). This is to ascertain the underlying reasons for the crisis in this region and to explore an alternative approach to CSR that could yield a better result. In order to achieve this aim, the following research questions are posed:

i. How are the CSR programmes/activities of multinational oil companies affecting the socio-economic lives of host communities?

The objective of this question is to review CSR programmes and activities of multinational corporations in the NDR in order to establish their level of involvement and commitment to their host communities.

ii. How are oil extraction activities affecting traditional livelihoods in oil producing communities of the NDR?

The objective here is to assess oil companies' activities and the impacts on the traditional livelihoods of local communities and populations.

iii. Why are there frequent disputes between the host communities and oil companies in the NDR?

In reviewing the past and current disputes and conflicts between the host communities and the MOC, one would gain insights into the major causes of such disputes and the impact of such conflicts on both the MOC and the local communities.

iv. What are the expectations of the host communities of the multinational oil companies and vice versa?

The objective here is to gather and analyse the views and perceptions of the host communities of multinational oil companies. Those views will inform the researcher on what the host communities anticipate benefiting from the oil extracted from their land by the MOC.

v. How are the different community groups (e.g. Youth, women, chiefs/elders, and local politicians) involved in oil-related contestations in the NDR?

The objective of this question is to establish the level of involvement of different community groups in oil related issues in the NDR. This is to give insights regarding the participation of each group.

Research on the subject has been mostly limited to descriptive and extensive theoretical explanations. As a result of this research therefore, an empirically substantiated understanding of corporate-community relationships and an alternative approach to choosing and implementing CSR initiatives will form a major part of the outcome of this study. From a theoretical perspective, the aim of this research is to achieve an advanced knowledge of relationships of various theories and concepts underlying CSR and its practice.

1.**3 Outline of the Thesis**

The thesis is organised into eight chapters. Chapter 1, being the introductory chapter, provides the background and justification for the study. It also identifies the research questions and aims of this study as well as the outline of the thesis. Chapter 2 surveys the relevant literature and previous research and in so doing considers the concept of CSR, some of the definitions of CSR,

approaches to CSR and the theoretical perspective of the research. The concept of the psychological contract is explained as it relates to the relationship between the oil companies and the host communities. In addition to this, stakeholder theory and that of social license to operate (SLO) are discussed, and their relevance to the study is outlined. Furthermore, this chapter discusses CSR in developing countries as well as corporate-community relation in the Niger Delta region. It also discusses the role of government in the relationship between multinational corporations and the local communities as well as that of NDDC. The last section of this chapter considers community expectations of multinational oil companies.

Chapter 3 explains the methodological consideration that guided the entire research process. In order to adequately present the process, the chapter is divided into seven main sections. The first section explains the philosophical underpinning of the research. The second section considers the research design consisting of the type of research and the methods that was adopted in this research, the sampling strategy used and the source of data as well as the justifications for philosophy, strategy, approach and design. These are followed by describing the instruments for data collection and a discussion of credibility and transferability of the research. The data analysis method is also discussed as well as ethical considerations of the research. This chapter ends with a discussion of the time frame of the research which is determined by limited funds, research sponsorship and the time stipulated by the University for the completion of the PhD programme.

Chapter 4 provides the background context for the thesis, the Niger Delta region of Nigeria which is the focal point of this study. A critical evaluation of the crisis in the NDR and the long-term effect of the crisis on the Nigerian economy as a whole and the people of the NDR, in particular, are discussed. It provides details about the study site and criteria for selection of Akwa Ibom State and host communities as well as the choice of the multinational oil company. This chapter also addresses the traditional institution and socio-economic features of the study area.

Chapter 5 presents an empirical analysis of data from host communities and the MOC aimed at understanding communities' and oil companies' perceptions and expectations from each other and its implication for corporate-community relations. The analysis is divided into five sections to explore the viewpoints and the themes identified from the data collected from two group of participants (the host communities and the MOC). The first section considers the analysis of data from the host communities, followed by the discussion on CSR and community perception /expectations. The third section is an analysis of data from the multinational oil company which is data obtained from managers and office workers. This is followed by discussion on the underpinnings of the psychological contract between the MOC and the host communities. The analysis is based on findings from the data obtained in individual interviews and from focus groups. The last section reflects on the relationship between PC and CSR.

Chapter 6 draws on a data set comprising interviews, focus group discussions and document analysis on assessing CSR understanding, perception and corporate-community relations between the host communities and Mobil Producing Nigeria (MPN). This chapter also assesses the CSR profile of MPN as well as the drivers of community perception and expectations. The chapter focuses on the political, economic and social drivers of community expectations in view of media attention and the public importance that is accorded these issues in Nigeria. Under political drivers, the issues addressed include government land use and natural resource policies, political domination suffered by Niger Delta ethnic minorities, agitation for true federalism and resource control, the pursuit of self-determination and the recent ethnic nationalities conference in Nigeria. Under economic drivers, the issues addressed include public revenue distribution formula and community marginalisation in the payment of oil derivation revenue to oil producing areas. The social drivers include high rates of unemployment and enduring rural poverty in the region.

Chapter 7 considers empirical data obtained from unit heads and staff of Niger Delta Development Commission (NDDC) in order to establish the relationship between governments, CSR and community development in the Niger Delta region. The analysis affords the researcher an opportunity to explore the role of NDDC in this region, the level of involvement of local communities in NDDC projects/interventions and the role of NDDC in resolving conflicts in this region. This chapter also discusses the host communities as stakeholders and their focus on deriving more benefits from the MOC rather than lay emphasis on the government and NDDC.

Chapter 8, which is the concluding chapter, presents the major findings of the research and highlights its contributions to the discourse on CSR. It is divided into five sections. The first section discusses the research findings based on the research questions and how the study has achieved its aims and objectives as set out in chapter 1. The second section considers the significant contributions of this study to the body of knowledge and the third section reflects on the methodological challenges that confronted the research and its implication for the research findings. The fourth section discusses the areas of future research that need to be addressed while the final section is a retrospective view of the entire research process and the lessons learnt. This is significant in qualitative research as it affects the researcher, the researched and the findings.

In this chapter, I have discussed the background and rationale for the research, its aims and objectives as well as the outline of the entire thesis. This leads into the next chapter which will explore the literature that pertain to this study.

CHAPTER 2

REVIEW OF RELATED LITERATURE

2.0 Introduction

Corporate Social Responsibility (CSR) is an important concept due to its contributions to economic, social and political development, especially in developing countries. Though it lacks a universally agreed definition, its underlying principles can be broadly stated. The commitment of business organisations to CSR has been a long standing issue and is still the substance of many scholarly debates. The debates on CSR have grown beyond its relevance as a concept for business to how it can be implemented because CSR has gradually become a fundamental issue for most organisations. CSR is no longer a discredited idea, but now a widely accepted concept by corporations and governments, non-governmental and individual consumers. The review of existing literature in this study is intended to identify gaps in the field for this thesis and thus present the focus of the research.

This chapter considers some of the definitions of CSR and indicate the one to be adopted in the research. The approaches to CSR and issues regarding CSR in the developing countries will be discussed. In the third section of this chapter the concept of psychological contract as it relates to the relationship between the oil companies and the host communities will be explored. In addition to this, other theoretical perspectives of the study as informed by stakeholder theory

and the concept of social license to operate will be considered. Furthermore, CSR in developing countries, CSR and corporate-community relations and issues regarding government, CSR and community development in the Niger Delta are discussed. This is followed by a discussion on NDDC and its role in the development of the Niger Delta region, multinational oil companies and CSR in this region as well as community expectations of MOCs. This chapter ends with a summary and conclusion.

2.1 The Concept of Corporate Social Responsibility

In recent times corporate social responsibility (CSR) has attracted worldwide attention and also seen as an important concept from the perspective of globalisation (Jamali and Mirshak 2007). The central idea of CSR is that corporate bodies have a responsibility to meet the needs of a wider group of its stakeholders (Clarkson 1995a; Waddock et al. 2002) than simply its shareholders (owners). Proponents percieve CSR as a vital instrument for successful business operations and as an opportunity for business to look beyond narrow economic returns and become involved in the wider social and environmental concerns (Jackson and Nelson 2004; Rudolph 2005). Unfortunately, the concept of CSR has not been homogeneously embraced because of persistent disparity of views about its potential usefulness and relevance. Therefore, scholarly definition of the concept varies due to multi-disciplinary interest giving rise to multiple conceptualizations (Garriga and Melé 2004; Dahlsrud 2008). The range of definitions and ideas proffered for the term 'CSR' appears to arise from the various perceptions held by individuals about the question of business responsibility and obligation (O'Riordan and Fairbrass

2008). It is therefore pertinent at this point to consider some of the views of scholars on this concept.

Hopkins (2003) views CSR as treating the stakeholders of the firm ethically or in a responsible manner. This idea does not limit the benefits to the firm, but rather places emphasis on the stakeholders. In line with Hopkin's views, Gössling and Vocht (2007) identify CSR as the obligation of firms to be responsible for the environment and their stakeholders in a manner that goes beyond financial goals. The stakeholder's dimension in the definitions of CSR is identified as having a very high ratio compared to the social, economic, voluntariness or environmental dimension (Dahlsrud 2008). For Bowen (1953) CSR is described as a business obligation to society that extends beyond its narrow obligation to its owners (shareholders). He argued that CSR is an obligation that arises from the impact of corporate decisions and actions on the lives of the people, and so business should be conducted in line with the objectives and values of the society. Similarly, Lea (2002) in Dahlsrud (2008) identifies CSR as business and other organisations going beyond the legal obligations to manage its impact on the environment and society. The above views are mostly centred on the impact of business on its immediate stakeholders. Considering the number of those who have a stake in the corporation, these definitions seem to be oversimplified and do not encapsulate the true nature of the relationship between corporations and their stakeholders.

However, there are definitions of CSR that are not focused on the immediate stakeholders of a corporation. For example the World Business Council for Sustainable Development (WBCSD) posit that CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community at large (WBCSD 2004). Similarly, Kotler and Lee (2005) maintain that CSR is the commitment of business to contribute to sustainable economic development, working with employees and their families, the local community and society at large in a manner that is good for both business and development in order to improve their quality of life. Yet the definitions by WBCSD and that of Kotler and Lee seem to be over generalised, broadening the scope of responsibilities of the corporations and making it unrealistic. For example, to say that CSR is working with the employees and their families, and local communities and society at large is rather vague.

Considering the definitions of CSR above, it is hard to imagine how there could be a meeting point between the arrays of responsibilities and what could be practicable in the real sense. In spite of the lack of agreement in defining CSR, most scholars view CSR as a concept of giving back or making a positive contribution to the society of which they are a part, and this is the position that will be adopted concerning CSR in this study. So when the term CSR is used in this thesis, it is understood to mean: the expectation/requirement/obligation of a firm to the society where it operates by reducing its negative impact and increasing its positive impact.

2.2 Approaches to Corporate Social Responsibility

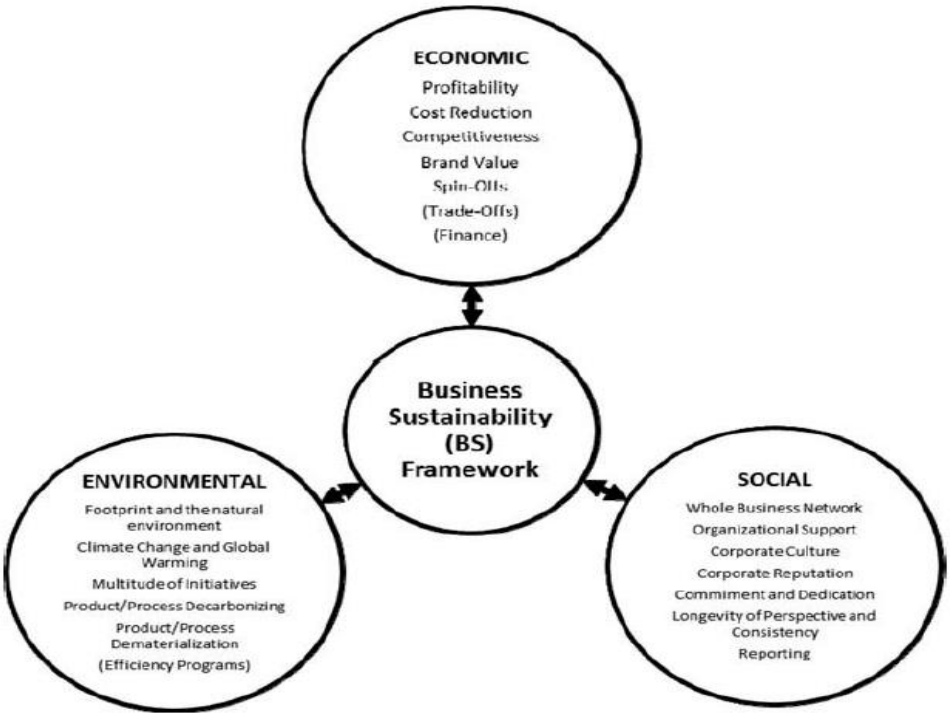
Having established the definitions of CSR, the next step is to consider how it is used/ implemented. Several views and approaches to CSR have evolved over time. Friedman (1962) was opposed to CSR because he believed that shareholders' funds were being misappropriated by executives in the name of CSR to enhance their personal social status. He did not believe that the managers had the right skills and expertise to deal with societal problems. To Friedman, corporations' involvement in CSR is like taking over the responsibilities of the government. Friedman dislikes the term 'social' which to him is politically associated with socialism (Sachs et al. 2005). He contends that the social responsibility of the firm is to increase its profits for its shareholders who are the financiers of the firm.

They argue that the concept originates from the field of economics and its models all accept the idea of profit maximisation by the corporation. They also argue that CSR promotes incompetence by leading managers to involve themselves in areas beyond their expertise and that CSR views the business and society as being separate from each other. It can be argued that the concept of CSR is not against corporations maximising their earnings or managers being directly involved in its implementation but rather the emphasis of CSR is to consider ethical issues in profit generation. Similarly, most business organisations have well-established units to handle their CSR matters. Therefore, the issue of incompetency does not arise. The arguments by Friedman (1962) and that of Freeman and Liedtka (1991) on the reasons why

the idea of CSR should be abandoned has been rejected because the debates have changed. It is no longer whether or not to be involved in CSR but rather more about how to make substantial commitments (Griseri and Seppala 2010).

Goyder (2003) is not against CSR but considers CSR from two perspectives, the real CSR and the compliance CSR. The real CSR is what Goyder calls conviction CSR, in which firms truly believe in a set of purposes and values and have the conviction to act on them. Compliance CSR will only require firms to tell the stakeholders what they want to hear so that the firm is seen as pleasing the society. He suggests that firms should subscribe to conviction CSR to ensure they have a positive impact on the people, the natural world and the planet in addition to compliance with the law and fulfilling shareholders expectations. This view is similar to that of John Elkington (1997) who introduced his model of the Triple Bottom Line (TBL) in relation to CSR. Elkington's 1997 TBL portrays an expanded spectrum of values and criteria for measuring organisational and societal success, namely economic, environmental and social performance of the organisation. Furthermore, he proposed three categories called the 3Ps, referring to People, Planet and Profit (Elkington 1997).

Figure 2.1 The Triple Bottom Line



Source: Svensson et al. (2016)

Elkington claims that society depends on the economy and the economy depends on the global ecosystem, whose health represents the ultimate bottom line. This indicates that the organisation's performance should not only be measured by its financial returns, but also on the basis of the individual bottom lines, which should be given equal weight in the economic reporting practices. Organisations can only be seen as being socially responsible if they can incorporate and consider the people, the planet and profit in their activities. Elkington's view is useful for this study but the approach of this particular study is focused on just the first of the 3Ps which Elkington calls "People".

Similarly, recent research conducted by Svensson et al. (2016) suggest that the triple bottom approach could be used by business practitioners and managers

of firms to evaluate and monitor their efforts to implement sustainable business practices and sustainable business models within their organisation and corporate networks. However, the idea and approach to CSR adopted in this study are also similar to that of Griseri and Seppala (2010) who view CSR as the accommodation of society's values and expectations in corporate behaviour. It is believed that when the corporation takes the society into consideration in its decisions, it will act in an ethical, legal and philanthropic manner without compromising profit generation. Griseri and Seppala also argue that when a business organisation incorporates the values of the society in its operations, the environment will be safe guarded against its operation. This position is also affirmed by Woodward whose idea of CSR is that of a contract between society and business wherein a community grants a company the license to operate and in return the latter meets certain obligations and behaves in an acceptable manner (Woodward-Clyde 1999).

Similarly, this study considers the communities as major stakeholders whose interest should be considered. While shareholders' interests are arguably the corporation's priority, the interests of other stakeholders are also very important. Events in the Niger Delta region of Nigeria have revealed that business operations can be hindered if the interests of the host communities (stakeholders) are not adequately accommodated (Ejumudo et al. 2012). This study is focused on perceptions and expectations of the host communities of the multinational oil companies operating within their territory- the Niger Delta region (see figure 2.2).

2.2.1 Social, Economic and Environmental Aspects of CSR

From the previous section, it has been established that CSR consists of social actions performed by corporations for the purpose of fulfilling social needs which also involves the willingness of a corporation to go beyond its legal obligations to set up its policies and practices for the benefit of the society. It is therefore pertinent that a firm's CSR actions should be in harmony with societal values and expectations (Lii et al. 2013). In recent times, CSR has been further defined by integrating social, environmental and economic responsibilities in relation to the ultimate goal of corporate sustainability (Porter and Kramer 2006). The issue of sustainability is an evolving one. Practices that assure sustainability are those that meet present needs without compromising the ability to meet the needs of future generations (WCED 1989). It is therefore necessary that CSR policies and practices should integrate sustainability concerns. The social, environmental and economic sphere descriptively presents the same message as that of the triple bottom line (people, planet and profit) of Elkington (Tullberg 2012).

The social bottom line is concerned with the people who benefited or harmed by corporate activities. The society plays a major role in the success of the corporation, hence the need to create a sustainable society. The CSR contributions of corporations connote the capacity to improve the quality of human life. This aspect is influenced by the taxes the company pays on its profits, its level of production and the wages of its employees (Tullberg 2012). Due to oil exploration and exploitation in the Niger Delta region, the people have suffered the loss of their homes and traditional means of livelihood (Idemudia

2009). The World Business Council for Sustainable Development (WBCSD) has issued a new guide to encourage companies to invest in sustainable livelihood business activities that meet the needs of the poor, as well as contribute to a firm's bottom line. Arguably, it can be said that without the existence of the society, business would cease to exist hence the need for a sustainable society.

The environmental bottom line concerns the effect of corporations' activities on the environment. This bottom line requires a calibration between cost and benefits (Tullberg 2012). Corporations are urged to reduce their negative impact on the environment in order to guarantee continued existence. Oil exploitation in the Niger Delta region has had serious adverse effects on the environment (Aaron 2012b) which are majorly oil spillage and oil pollution (details on environmental concerns are discussed in section 2.4.1). It is argued that there are times where it is extremely difficult to avoid having a negative impact on the environment. In this case, the focus should be to avoid excess impact or to reduce the reference revenue in order to achieve a positive environmental bottom line (Tullberg 2012) by engaging in agreed environmental standards of operation and best practices.

The economic bottom line concerns profit generation of the firm in order to fulfil its motive of being in business. Without this bottom line, the essence of business is defeated as indicated by Tullberg that "the main business of business is staying in business" (Tullberg 2012: :321). The continuous existence of a business is therefore paramount to its fulfilment of its responsibilities. This bottom line considers not only how much profit corporations generate but how the profit is generated and ploughed back to the

society and environment. Therefore, the social and environmental concerns are equally accommodated in CSR engagements using the corporations' profits. The focal point of economic sustainability is to foster economic independence (economic impact in the study area is discussed in section 4.2.2). The three bottom lines are seen as the integrative sustainability triangle whose implementation could avoid conflict (Tullberg 2012) and together they produce a conducive atmosphere for business existence. Due consideration of these aspects to CSR by the multinational oil companies could reduce the negative impact of oil exploitation in the study area, which is the Niger Delta region. This could also improve the relationship between Corporate bodies and their immediate operational environment which may perhaps be likened to a contractual relationship.

2.3 Psychological Contract

The psychological Contract (PC) is an increasingly relevant aspect of workplace relationships and wider human behaviour (Raulapati et al. 2010). It has become an accepted part of the vocabulary of human resource practitioners (Patrick 2008). In defining the concept of the psychological contract, authors have used different terms; promises, expectations and obligations which suggest a degree of agreement between two parties though the level of assurance of fulfilment differs (Pate and Scullion 2010). Psychological contracts are individuals' beliefs regarding reciprocal obligations in a dual relationship between employees and organisations. It manifests itself in individuals' mental representations of their relationships with their organisations (Rousseau 1998). The PC refers to the relationship between an employer and its employees and it is specifically

concerned with mutual expectations of inputs and outcomes (Raulapati et al. 2010).

PC consists of unwritten agreements on direct or indirect promises, depending upon the way that individuals interpret them. For instance, an employee may expect to get money, job security, status, recognition, or the chance to be creative in return for hard work, consistency, commitment, or loyalty (Bellou 2009). The level and kind of expectations, therefore, differ from one person to the other. It is an implicit contract between an individual and their organisation of expectations from and to each other in their relationship (Kotter 1973). PC is an inherently substantive phenomenon because it is limited to the individual and also because it could be modified based on multiple sources of information. While one individual believes in the existence of a particular PC, other members of the organisation or the supervisor, may not understand the contract from the same point of view (Rousseau 1998). Psychological contracts by their nature are often implicit and not explicit, which makes it a complex issue (Guest 1998). More broadly, psychological contracts are beliefs, based upon promises expressed or implied, regarding an exchange agreement between an individual and the organisations, the employing firm and its agents (Rousseau 2004).

From the definitions above, it can be deduced that there is a relationship, an unwritten agreement or an obligation which is subject to a wide range of interpretation. Considering the fact that the psychological contract is not written down, makes it quite complex because it may be difficult to meet the

expectations of every employee of the organisation. As different employees have their individual expectations which are devoid of uniformity. Since modern organisations cannot succeed without the contribution of their employees to their mission and survival, it is, therefore, pertinent that workers and employers agree on their contributions and benefits from and to each other. This view is affirmed by Rousseau (2004) who asserts that understanding and effectively managing these psychological contracts can help organisations thrive. When fair processes are utilized, employees are more satisfied with hiring, salaries and resource allocation and are more likely to exhibit positive behaviour. Employee trust in management and higher levels of job satisfaction is promoted by employers who understand and uphold the psychological contract (Niehoff and Paul 2001).

From the discussions above, the psychological contract has been considered from the perspective of individual to employer level of a reciprocal obligation/ expectation of each contribution towards the other party. In a psychological contract, it is the individual's unilateral belief in the reciprocity of the organisation to his or her contributions (O'Donohue and Nelson 2009). This could be considered as the micro-meso (individual-company) level. The next section will consider the concept of psychological contract from a perspective of the company to society (meso-macro) level.

The concept of the psychological contract is similar to what is expected by the host communities in the NDR from the multinational oil companies. The host

communities in the study area expect drastic transformation of their environment, provision of jobs and the establishment of a cottage industry in return for their land that is being used for oil exploitation (Aghalino 2009). The most important issue here is the fact that there is an expectation irrespective of its level. Unfortunately, because their expectations are not met, the oil companies in the area exist in constant opposition with the people. This could be likened to the dissatisfaction of an employee. The management of the oil companies are accused of enjoying good living conditions (which include availability of health care, good water supply, electricity, etc.), while the host communities have no access to such basic amenities, and a deplorable state of most of their communities completely enclosed in poverty (Okpo and Eze 2012).

It may be difficult for the crisis in the NDR to end if the host communities perceived be a breach of contract on the part of multinational oil companies. This is affirmed by Ibeanu (2000) who is of the view that the bulk of the oil revenue generated from this region should be returned back to the region on the basis of fairness, compensation and self-determination. The attitude of the host communities towards the oil companies could be interpreted as being a result of a breach of contract by a company. Niehoff and Paul (2001) assert that violation of a psychological contract can damage positive employee attitudes as well as reduce employee citizenship behaviour and increase the likelihood of retaliation, sabotage, theft and other aggressive behaviours.

2.4 CSR and the Psychological Contract

The definitions of CSR and that of psychological contract above seem to have a common denominator which is ‘obligation’. This obligation is due to an inherent relationship between the two parties, and the need for each party to live up to its expectations is inevitable and may attract grievous consequences. In a psychological contract, there are sets of beliefs about what each party is entitled to receive and obligated to give in exchange for the other party’s contribution which is not explicitly made but perceived to exist in their eyes (Niehoff and Paul 2001). Psychological contracts have consistently been shown to impact on employee attitude and behaviour and to influence organisational effectiveness and efficiency. Fulfilment has shown positive impact while a breach has shown negative impact (Beynon et al. 2012). Based on this assertion, the insurgency in the study area could be attributed to a perceived breach of the obligation of the oil companies by the host communities. Just as the obligation implicit in the psychological contract could affect the individual employee performance and subsequently that of the organisation, the obligation implicit in CSR could equally affect the attitude of the host communities and subsequently that of the oil companies.

The host communities believe that they deserve a valued outcome in exchange for their land where oil is being exploited. The problems in the NDR, as earlier mentioned can also be attributed to environmental, political and socio-economic factors which may be solved with effective CSR based on mutual understanding and sustainability. Idemudia and Ite (2006b) conclude that the Niger Delta crisis

can only be resolved through collective responsibility, the Nigerian government meeting its social responsibility, the oil multinationals addressing their CSR as well as reciprocal responsibility on the part of the host communities. Filling the gap in the literature, the research will therefore seek to understand if the concept of a psychological contract exists between the host communities and multinational oil companies in the NDR in order to reduce the crisis and unfriendly relationship between both parties. An understanding of the existence of the term will guide the way individuals assimilate, organise and make sense of the world around them and expose one to the complexity or ambiguity of the relationship.

In this chapter, the gap in the literature was identified in that the psychological contract is a term that has till now been applied only to employee (individual) expectations of the employer within an organisation. Here, PCT will be explored in relation to the expectations between two groups; company and community. It is believed that mutual understanding between both parties will help to reduce the crisis in the NDR. However, there are other theorethical perspectives of the study which are considred in the next section.

2.5 Other Theoretical Perspectives of the Study

The field of business and society lacked a generally accepted theoretical paradigm right up until 1975 (Preston 1975). Over the years, different scholars have suggested different theories/ approaches to CSR based on their different perspectives. These theories are based on the boundaries and nature of

responsibilities of corporate organisations and are therefore interrelated to each other. Some theories combine different approaches and use the same terminology with a different meaning (Garriga and Melé 2004) while others use different terms to refer to the same idea. Garriga and Melé (2004) identify four contemporary mainstream theories about the responsibilities of business in society. The first group of theories are called instrumental theories, which assumes that the sole responsibility of corporations is wealth creation. Therefore, the corporations are instruments for profit maximisation.

Alternatively, Klonoski (1991) refers to this group as a fundamentalist but emphasises that the profits maximisation goal must be in compliance with the law, therefore incorporating an ethical dimension of the business. This is called economic responsibility theory (Windsor 2006). The focal point for this group is to increase profit. The second group are called political theories in which the social power of the corporation is emphasised in a relationship with society and its responsibility in the political arena associated with this power. This group is closely related to Windsor's theory of corporate citizenship. The theory of corporate citizenship is focused on rights, responsibilities and possible partnership of business in society (Garriga and Melé 2004). Some corporations are viewed as being very powerful institutions that can replace the government at some point to protect the citizens.

The third group is called integrative theories. This group considers that business ought to integrate social demands because business depends on society for its

continuity, growth and existence (Garriga and Melé 2004). This is closely related to the social dimension theory (Klonoski 1991). The fourth and final group of theories as identified by Garriga and Melé (2004) are called ethical theories. This group emphasises incorporation of ethical values in the relationships between business and society. This class of theories is seen as consisting of those that defend corporate moral personhood (Klonoski 1991). The corporation is seen as a person who needs to perform its business in a morally acceptable manner.

However, this study is centred on stakeholder theory and the concept of social licence to operate because they closely related to the research questions and based on the understanding of the relationship between business and society. They are relevant to the study and understanding of the concept of CSR.

2.5.1 Stakeholder Theory

The concept of stakeholders first surfaced in the management literature in the 1960s. The term stakeholder began with Ansoff (1968)'s research which considered the obligation of the enterprise to include stakeholder satisfaction as one of its objectives (Manal El and Cornet 2012). By the 1970s, there were several variations of stakeholder theory. The stakeholder approach, however, remained mostly scattered and peripheral to management scholarship until the mid-1980s. In 1984, Freeman gathered various eclectic ideas on the stakeholder approach and constructed a coherent and systematic theory of stakeholder management (Lee 2008). This is why stakeholder theory is

associated with Freeman. Subsequently, other models of the theory were developed. As earlier noted in the definitions of CSR, the stakeholder's dimension seems to be paramount in considering the firm's responsibilities.

Stakeholder theory has received as many modifications as criticisms. Stakeholder theory, as with any new theory, suffers from numerous shortcomings and imperfections due to vagueness, ambiguity and breadth of the theory itself. Also, its wide-ranging intuitive appeal often exposes it to criticisms (Phillips et al. 2003). The literature on the stakeholder theory gives an impression of confusion (Fassin 2009). The term used by different scholars lay emphasis on a similar idea also adds to its ambiguity. This theory is being referred to as stakeholder model, stakeholder theory, stakeholder approach, stakeholder analysis and to some stakeholder management. The stakeholder theory is seen as being too flexible because of the difficulties in identifying stakeholders and in defining the boundaries of the firm. There is a lack of clarity and consistency in the definition of a stakeholder, and indeed of a stake. Most of the definitions are inconsistent with the graphical representation of the model (Fassin 2009). Though there are various distinctions and multiplications of stakeholder theory, only two models will be discussed here because of their implication for this study: Freeman's model and Mitchell's model.

2.5.1.1 Edward Freeman's Stakeholder Model

Freeman (1984) was one of the first academics to reject Friedman (1970)'s perception that a company only has social responsibilities towards its

shareholders and challenged the dominant model of business at the time that was inconsistent with the law, and in most cases, ignored ethical matters (Freeman 2004a). Friedman is of the view that the primary purpose of business in society is to generate profit and maximise shareholders' earnings. Freeman instead asserted that managers have a fiduciary relationship with stakeholders (Freeman 2000) rather than being exclusively responsible towards stockholders/shareholders (Claydon 2011). He defines a stakeholder as any group or individual who can affect, or is affected by, the achievement of the organisation's activities (Freeman 1984). Freeman deliberately chose a broad view based on the relationships with many stakeholders (Fassin 2009). Thus, the stakeholder approach examined the other important stakeholder groups that businesses had to be responsible towards. A unique feature of stakeholder theory is that it visualises a corporation's purpose in an entirely different way.

Within the stakeholder framework, the difference between the social and economic goals of a corporation is no longer relevant, because the central issue is the survival of the corporation which is not only affected by shareholders but also various other stakeholders such as employees, governments and customers (Lee 2008). He understood stakeholders as those groups who have a stake in or claim on the firm (suppliers, customers, employees, stockholders, and the local community) (Garriga and Melé 2004). The logic for such an assertion is derived from the notion that stakeholders have a right not to be treated merely as a means to an end but must be able to participate in the direction of the firm in which they hold a stake (Freeman 2004a). Further, Freeman stated in a later paper that ‘‘businesses and the executives who

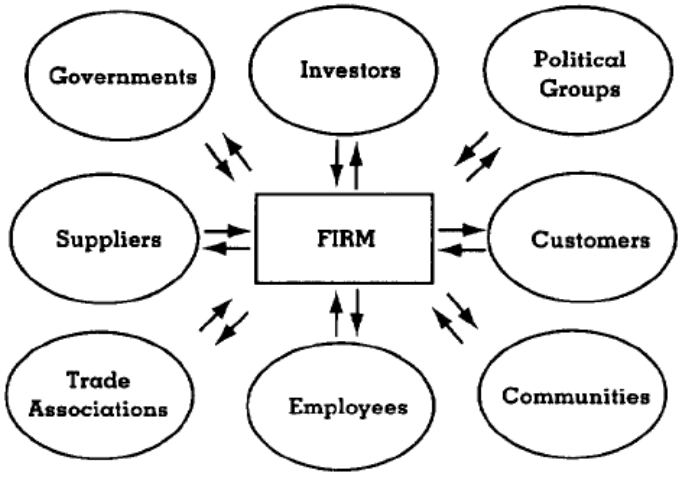
manage them, actually do and should create value for customers, suppliers, employees, communities and financiers (or shareholders)'' (Freeman 2004b).

Freeman provided two main arguments to emphasise the importance of stakeholders and in response to the traditional shareholder model as asserted by Friedman (1970). First, from a legal perspective, there are other groups than shareholders that have a stake in the corporation. Groups like, suppliers, employees, customers, partners and the surrounding community and environment have legally binding contracts with the corporation. As such, for Freeman, they are legitimate stakeholders. Freeman further rejected the laissez-faire strand of economic theory that the free market is self-regulatory and needs no intervention from government. Thus, stakeholder theory ensures that such regulation of a company's actions towards all of its stakeholders, including shareholders is legal. Second, from an economic perspective, there is the problem of what Freeman calls 'externalities' (those that do not have any legally binding contract with the firm) but are indirectly affected by the firm's operations (Claydon 2011) such as the media and the government.

Freeman originally presented the stakeholder model as a diagram in which the firm is the centre of a wheel and stakeholders are at the ends of rods around the rim (Frooman 1999). It consisted of one central circle, or oval, representing the firm, surrounded by a variable number of other circles or ovals with two directional arrows towards and from the central oval, each oval representing a group of stakeholders. Freeman's original framework included eleven stakeholders (Freeman 1984). A common version of the stakeholder model includes eight stakeholders who included; shareholders (or investors),

suppliers, customers, and employees, trade associations, the government and the communities (Donaldson and Preston 1995) (see Figure 2.2).

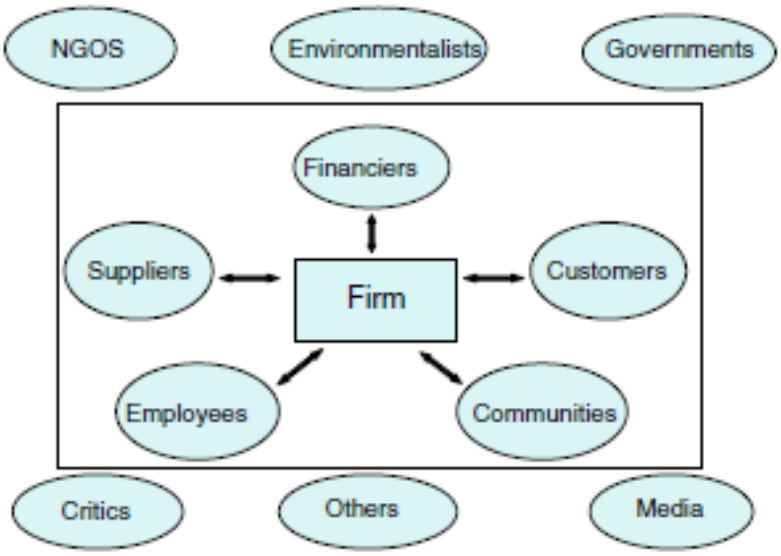
Figure 2.2 The original stakeholder model- Freeman 1984



Source: Donaldson and Preston (1995)

Later, Freeman and others added further groups of stakeholders, particularly pressure groups (political group). In Freeman (2004) the model was modified to reduce the scheme to five internal stakeholders: financiers, customers, suppliers, employees and communities (dropping competitors), placed a box around these five stakeholders and introduced six external stakeholders: governments, environmentalists, NGOs, critics, the media and others. In this model, there were no arrows linking the external stakeholders to the central hub (see figure 2.4). Fassin (2009) argues that one should be aware that all synthesised representations, models and schemes are social constructions that inevitably simplify and reduce reality.

Figure 2.3 The adaptive version of the stakeholder model



Source: Fassin (2009)

It can therefore be argued from the diagrams above that the level of involvement (stake) of different stakeholders depends on their contact (direct or indirect) with the firm. The diagram connotes a two-way relationship which suggests reciprocity as earlier discussed in the psychological contract. Stakeholder engagement involves ways of staying connected to the parties who have an actual or potential interest in or effect on the business. A stakeholder

approach to CSR emphasises that organisations exist within large webs of stakeholders, all of which stake claims on organisations (Theaker 2004). It is said that a company has primary stakeholders, that is, stakeholders that are critical for the continued existence of the company and secondary stakeholders that are affected, directly or indirectly, by the company's decisions (Rosam and Peddle 2004). Within the organisation, the interests of these various stakeholders meet and interact with one another and the interests of the organisation. When organisations face demands from stakeholders to recognise

the importance of CSR, they generally translate those demands into CSR objectives and develop CSR policies for the stakeholders (Wong Lai and Ahmad 2010). However, being able to identify the nature of the relationship (stake) in a firm is important in understanding the extent to which each group's interest can be accommodated.

Scholars have explained, defended and sometimes criticised stakeholder theory in general, but that of Stieb (2009) focuses on the works authored and co-authored by Freeman. He based his critique on the fact that stakeholder theory is one of the most prominent theories of business management to come out of a philosophical school or way of thinking and the need to assess whether stakeholder theory is likely to address ethical problems. He observes that in stakeholder theory there seem to be more questions than answers surrounding the role of business in society. And it does not provide any clarity on the issues that is most required of it (Stieb 2009). For example, Freeman identifies that shareholders enjoy the majority of the power in the decision-making processes of a firm which he argues should actively engage the other stakeholders concerned, as they will equally be impacted by the businesses actions.

Stieb asserts that Freeman's idea of stakeholders as any group or individual who can affect or is affected by the attainment of the activities of an organisation (Freeman 1984) is open to abuse. On a practical level, it is difficult for business managers to assess which of the stakeholders should be given the most decision-making power and which should not (Claydon 2011). Freeman

further identifies the distribution of wealth as unequal and calls for its redistribution from solely the shareholders of a corporation to the other stakeholders concerned. However, Stieb sees this as a problem because it automatically assumes that every stakeholder is affected and directly impacted by the businesses actions. It also warrants the redistribution of wealth from the individual who has a financial investment in the firm to an external stakeholder. But the theory does not stipulate which of the stakeholders should be compensated and by how much (Claydon 2011). From Stieb (2009)'s perspective, stakeholder theory fails to address who the stakeholders are in each situation (due to multiplicity), how much power they should have in the decision-making process and how much compensation they should receive.

2.5.1.2 Stakeholder Typologies

Manal El and Cornet (2012) identify various classifications of stakeholders by the proponent of the theory. Freeman (1984) aims his ideas at the company's real strategic issue and suggests making a distinction between "*important*" and "*unimportant*" stakeholders. Subsequently, Freeman and Evan (1990) suggest that some relationships imply a form of "contract" between the stakeholders and the organisation. The nature of contracts remains very varied (Fassin 2009). Hill and Jones (1992) revert to a relationship of legitimacy by defining stakeholders as any group with a legitimate claim on the company. The question of legitimacy was also raised by Donaldson and Preston (1995) who qualified stakeholders by their legitimate interest in procedures or the essential aspects of the organisation's activity (Manal El and Cornet 2012). Invariably, legitimate stakeholders are identified by the existence of a contract with the organisation,

whether implicit or explicit. This is close to Clarkson (1995b))'s definition which refers to persons or groups who make a claim on the part of the ownership, rights or interests in the company and its business whether voluntarily or not.

Clarkson (1995) proposes refining this ranking still further by distinguishing "*primary*" stakeholders (whose participation is required for the company's survival) and "*secondary*" stakeholders (whose relationship is not considered as vital for the company). However, secondary stakeholders may have a possible impact and may be capable of influencing the performance of the company. Clarkson (1995) also makes a distinction between *voluntary* and *involuntary* stakeholders which is based on the notion of risk. Voluntary stakeholders are taking a risk by investing a form of capital in the business and thereby contributing to the creation of value. Unlike involuntary stakeholders, they expose themselves to the consequences of the company's activities in seeking to reduce the negative impact that its actions may have on its wellbeing. There should, therefore, be a distinction between voluntary and involuntary stakeholders.

Clarkson also adds that those stakeholders whose stakes or rights are similar should be grouped into similar category which is supported by Manal El and Cornet (2012). Carroll and Nasi (1997) put forward a classification that opposed *internal* stakeholders (owners, directors, employees) to *external* stakeholders (competitors, consumers, governments, pressure groups, media and the natural environment). Whatever the basis for classification of stakeholders may be, it is

pertinent that companies will respond to those stakeholders who have some influence on their performance. The more a group can impact corporate operating parameters, the more potent its demands appear in the eyes of corporate management (Trebeck 2008).

Furthermore, Phillips (2003) distinguishes ‘normative’ stakeholders, ‘derivative’ stakeholders and ‘dangerous’ or ‘dormant’ stakeholders. Normative stakeholders are those stakeholders to whom the organisation has a moral obligation: an obligation of stakeholder fairness (Phillips 2003). Derivative stakeholders are those groups or individuals who can either harm or benefit the organisation but to whom the organisation has no direct moral obligation as stakeholders: these include competitors, activists, terrorists and the media (Phillips et al. 2003), and also ‘dangerous’ or ‘dormant’ stakeholders such as blackmailers or thieves (Jensen 2002). These final categories can affect the corporation but have no legitimate relationship with it (Mitchell et al. 1997).

2.5.1.3 Mitchell’s Stakeholder Model

Freeman’s (1984) stakeholder model and definition have been extensively debated amongst scholars. Mitchell et al. (1997) define three variables that can identify a stakeholder. This involves possessing one or more of these three attributes: power, legitimacy and urgency. Mitchell et al. provide clarity to the debate through their theory of stakeholder identification and salience, that is, of whom or what is a stakeholder, and thus whom managers should attend to. This, according to them, provides a focal point for managers. They also propose that the perception of managers of these three key attributes of the

stakeholder's claim would influence stakeholders' ability to command managerial attention. The three attributes relate to the salience of a claim upon the organisation, whether independently or interactively made (Neville and Menguc 2006). Mitchell et al. (1997) argued that stakeholder power may be explained using resource dependence theory (RDT), agency theory, and transaction cost economics. RDT focuses on the difference in the organization-stakeholder power. The more power one party possesses over the other, the more the level of dependence of one on the other.

Therefore, an organisation's dependence on a stakeholder for critical resources puts the organisation in a relatively more dependent position, which warrants managers' attention. The agency theory and transaction cost economics both involve one party taking advantage of their more powerful position in regards to the other parties – opportunism (Jones 1995). This results in an increase in the costs of the transaction, due to the need for increased monitoring, research and negotiation. The three categories have considerably different profiles. For the real stakeholders, who possess a legitimate claim, power and influence are reciprocal; the firm has responsibility for them. The firm has little power on and no responsibility for indirect stakeholders, whose legitimacy is derivative (Phillips 2003). Although the pressure groups do not have a real stake in the firm, they can negatively influence the company through their action. The legitimacy of the claim of pressure groups is of mixed origin because they do not enjoy a real relationship with the firm and in most cases are independent of the business. But they have significant power over the firm, and can be negatively influenced by the firm. They are totally independent of the firm but, indirectly, regulators can externally impose responsibilities (Fassin 2009). The

emphasis of this model is on the attributes possessed by the stakeholders rather than the type of stakeholder.

Stakeholder theory is also seen as inadequate to address the environment surrounding a firm (Key 1999). Although Freeman himself has not made the claim, the idea that the natural environment can be considered a stakeholder is attributable to a loose interpretation of his original definition of stakeholders as any group of individuals who can significantly affect or be affected by an organisation's activities (Freeman 1984). The manager is therefore faced with a choice about which kind of human satisfaction is to be favoured: one which gives a significant benefit in order to select groups for which he has fiduciary duties, or a more general human interest in clean air (Gibson 2012). The model suffers a problem of defining the boundaries of the firm and the various levels not clearly demarcated. Stakeholders around the firm, especially those in the immediate business environment and those in the larger environment are somewhat confused.

The implication of this to the manager is that the multiplicities of relationships intensify their influence or power over the firm due to their multiple linkage and network relationships. Stakeholders have a series of multilateral contacts and influences on other stakeholders of the firm (Fassin 2009). It is argued that due to globalisation and technological evolution, with improved communications and information systems, virtually everyone and everything, everywhere, can ‘‘affect or be affected’’ by the decisions and actions of a business enterprise (Orts and Strudler 2002). Therefore, virtually everyone and everything should be considered as a stakeholder. This makes it very vague and devalues the theory

(Phillips 2003). Managerial time constraints and limits in the rational capacity have resulted in a reduction in the completeness and practicality of the theory (Fassin 2009). The stakeholder theory has no solid basis neither in the economic theory of a firm (Key 1999) nor traditional ethical theory (Fassin 2009).

An alternative view is held by Lee (2008) who opines that the stakeholder model has solved the problem of measurement and analysis by narrowly identifying the actors and defining their positions and functions in relation to one another. From the manager's perspective, their responsibility to employees, customers and government are much easier to envisage and manage than their responsibilities to society (Clarkson 1995a). Clarkson also noted that most companies, deliberately or inadvertently, have been managing these relationships and interactions. Within the stakeholder framework, the difference between the social and economic goals of a corporation is irrelevant; the central issue is the survival of the corporation (Lee 2008). Therefore, if the corporation is to survive then the interest of those who affect and are affected by them must be taken into consideration.

2.5.1.4 Stakeholder Theory and CSR

The emphasis of stakeholder theory is on relationships and the normative foundation that recognises the essential value of the interest of stakeholders other than just its shareholders which has some obvious implications to CSR. Clarkson (1995b) applied the stakeholder model to his research on CSR. Based on his empirical research experience, he makes a few enhancements to the

model to adapt it better for the CSR field. His first argument is that it is necessary to distinguish between stakeholder issues and social issues. Social issues in his view are sufficiently substantial public issues that prompt eventual legislation or regulation. If no such legislation or regulation exists, it may be a stakeholder issue, but not necessarily a social issue. Once the nature of issues is identified, he then argues that it is necessary to define appropriate levels of analysis (institutional, organisational and individual). Only then, can managers effectively analyse and evaluate the social performance of the corporations and managers (Lee 2008). Similarly, Jones' (1995) unique contribution is that he relates the stakeholder model of CSR to some economic theories such as principal -agent theory, team production theory and transaction cost economics.

Jones' objective is to construct an 'instrumental stakeholder theory' with strong predictive capacity. He relies heavily on economic theories to lay out basic behavioural assumptions of firms and actors and presents some testable hypotheses. His focus on relationship-based mid-range theories makes the link between actions and outcomes much clearer. Jones argues that the stakeholder model has a great potential to become the central paradigm for the field of CSR (Lee 2008). However, although it was feasible to suggest that a company should be responsible for more than just its shareholders, it was not successful as a pragmatic approach to explaining how ethical behaviour can be implemented into a company (Claydon 2011). It is argued that under stakeholder theory, CSR is said to aggravate the problem of capitalism and ethics due to the increase in the financial commitments and responsibilities of a firm (Parmar et al. 2010). The additional responsibilities could result in the firm exploring different ways of maximising its earnings in order to meet the interest

of its numerous stakeholders. While this could result in stakeholder moral consequences to CSR, their emphasis is on value creation and trade through stakeholder relationships that necessitate trade-offs in the managerial issues faced by practitioners (Brown and Forster 2013).

The practical connection of CSR and stakeholder theories remains arguably embedded in the instrumentalist approach to stakeholder theory that posits that CSR activities will result in a financial gain (Jones 1995). Instrumental theories are a group of theories that see CSR as a strategic tool to achieve economic objectives and wealth creation (Garriga and Melé 2004). They also argue that concern for profit does not exclude taking into account the interest of the stakeholders. Freeman and Hasnaoui (2011) identify stakeholder capabilities to include building and supporting communities where employees live and work. Some scholars identify stakeholder theory as a way to understand reality and manage the socially responsible behaviour of the firm (Carroll, 1994) while others find that it can improve the principles of CSR (Freeman and Liedtka 1991).

2.5.1.5 Relevance of Stakeholder Theory to the study

Following the argument of stakeholder theory, a socially responsible firm requires synchronised attention to the legitimate interest of all appropriate stakeholders and has to balance such a multiplicity of interest with that of the stockholders (Garriga and Melé 2004). This study will explore the relationship between the host community and multinational oil companies in the Niger Delta region with regards to CSR. From Freeman (1984)'s original stakeholder model

and the adapted version, the community is classified as one of the internal stakeholders of the firm. This therefore implies that they have a direct impact on the affairs of the firm and can influence their activities. The main objective of the study is to consider and clarify the nature of the relationship between multinational oil companies and local communities. Stakeholder theory has some implication on other objectives of the study which are; to uncover the underlying cause of frequent disputes between the host communities and oil producing companies, to examine the perceptions and expectations of the host communities of the multinational oil companies operating in this region and to establish the level of involvement of different community groups in oil related issues in the NDR.

These objectives and the focus of analysis are deeply rooted on the fiduciary duty of the firm to its stakeholders which in this case is the community. Wong Lai and Ahmed (2010) are of the opinion that CSR is concerned with the needs of stakeholders beyond economic goals but also other concerns for meeting the obligation required by stakeholders which include legal and ethical responsibilities. Therefore there is an interrelationship between the stakeholder theory, corporate social responsibility and business ethics (Fassin 2009). Identifying a stakeholder as an individual or a group which either benefits or is harmed by the corporation or whose right is violated or respected by the Corporation (Crane and Matten 2010) agree with the perspective of this study. The objectives of the study as earlier mentioned can be achieved from a stakeholder perspective. Engaging the stakeholders in corporate activities could improve their commitment to CSR (Freeman 2004b). The reasonable involvement of stakeholders in CSR decision making processes and the receipt

of adequate benefits from the company or project imply that they have been granted a social license to operate.

2.5.2 Social License to Operate (SLO)

Social License to Operate (SLO) is an emerging concept in current CSR discussions that has resulted in the development of a significant body of academic literature. SLO is most applicable in the extractive industry (Demuijnck and Fasterling 2016). This is due to the negative impact associated with most extractive processes on the lives of local communities and the environment, hence the need to secure acceptance from host communities (Idemudia 2009). SLO has gained tremendous popularity in the mining industry in Australia and Canada, and is likely to spread to other large scale extractive industries or companies – including multinational oil companies in the Niger Delta region of Nigeria. That is why it has become pertinent to shed light on the concept in this study. Particularly, for the purpose of enhancing the identification of gaps in the literature, ascertain its implications in clarifying the relationship between the company and their host communities in the Niger Delta.

Dare et al. (2014b: :190) argue that a social license to operate is a form of "social contract" between business enterprises and multiple communities and other societal stakeholders on the modus operandi of business activities which require compliance with social expectations and norms. According to Gunningham et al. (2004: :308) a social license to operate refers to " the demands on, and expectations for business enterprise that emerge from

neighbourhoods, environmental groups, community members, and other elements of the surrounding civil society." This view is similar to issues of CSR as discussed in section 2.1 although in this case its particular focus is on extractive industries. However, Phillips et al. (2003) opine that SLO is a business oriented social construct that has linkages to stakeholder theory, which explicitly addresses morals and values in business management. Kaler (2006) posits that stakeholder theory offer two major ethical functions which culminate in social license: (i) to enhance distributive justice beyond the narrow business interests of stakeholders, and (ii) to enhance the understanding of CSR and business obligations to the wider society.

Bice (2014a) maintains that Shocker and Sethi (1973) were the first to declare that modern business operations require "social contract" in order to successfully operate in modern society. In other words, corporate actions are dependent on the moral and political obligation of the immediate society where it operates. However, Bice (2014a: :62) stresses that the SLO "…theoretical proposition is progressively visible within business policies, with many transnational corporations publicly declaring the necessity of a social license to operate in company reports and other official documents and communications". Similarly, Prno and Scott Slocombe (2012b) maintain that SLO is now widely recognized by companies as a vital component to successful business operations. Prno (2013a) posits specifically that the concept of SLO began entering the vocabulary of mining industry practitioners in the late 1990s, after it was coined by a Canadian mining executive, Jim Cooney.

A social license to operate is considered very important in particular business operational contexts "…where mining projects have not satisfied the demands of civil society and local communities in particular". It is characterized by frequent occurrence of shutdowns and slow-ups, protests and blockades, non-issuance or retraction of government permits, media and shareholder campaigns, and government lobbying that have proven the power of civil society action across the globe (Prno and Scott Slocombe 2012a: :346). Such contexts and circumstances create a supervening need for mineral developers to gain an additional social license to operate in order to avoid potentially costly conflict and exposure to social risks (Bridge 2004). A social license exists when a mining project is seen as having the broad, ongoing approval and acceptance of society to conduct its activities (Joyce and Thomson 2000). One cannot therefore underestimate the importance of SLO and it's significant to this project

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2.5.2.1 Why SLO is Important in CSR

All over the world, large scale mining and other extractive industrial activities usually take place near local communities and thus culminate in different social, cultural, economic and environmental impacts on such communities (Bice 2014b; Moffat and Zhang 2014). These authors maintain that evidence abounds around the world, where mining and other extractive companies are known to have engaged in irresponsible or ecologically harmful operational activities that advance their economic interest. Such practices have culminated in making communities either apprehensive of, or totally distrusting of mining and other extractive companies. Prno and Slocombe (2014: :347) posit that within the

purview of CSR, a social license to operate “reduces social risk and helps allow operations to continue without community conflict.”

For communities, the granting of a social license, in most cases, implies that they have been reasonably involved in CSR decision making processes and have received, or have been assured of, adequate benefits from the company or project. This is closely related to stakeholder engagement (Wong Lai and Ahmad 2010) as identified in section 2.5.2 below. There are cases where some communities may never come to agree that mining, in any form, is acceptable as a means of livelihood and will only support non-extractive forms of development (Prno and Slocombe 2014). The securing of a social license to operate is thus a goal that is dear to both companies and communities. Joyce and Thomson (2000: :189) stress that the advantages of a social license to operate include “…improved corporate reputation, ongoing access to resources, reduced regulation, beter market competitiveness, strengthened stakeholder relationships and positive effects on employees.” Furthermore, Gunningham et al. (2004) observe that if a company loses its social license to operate, it will face increased pressure from stakeholders, potentially leading to negative outcomes such as additional regulation or reduced market access.

2.5.2.2 Industry Usage and Application of SLO

Prno and Scott Slocombe (2012a) link SLO to the global sustainable development agenda that was adopted by world leaders during the first Earth

Summit or United Nations Conference on Environment and Development (UNCED), in June 1992, at Rio De Janeiro, Brazil (Commission 1992). This Earth Summit was convened to discuss the global action plan and strategies needed to address the outbreak of global environmental problems like deforestation, biodiversity loss, atmospheric ozone layer depletion, global warming and climate change which were all attributed to unsustainable human economic and development activities across all nations on Earth (Commission 1992). The Brundtland Commission which later became the World Commission on Environment and Development (WCED), defined the concept of sustainable development as “development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs (WCED 1989).”

Owen and Kemp (2013) maintain that that the idea of social license to operate has become entrenched within core mining industry for more than a decade. They strongly uphold that SLO is now popularly invoked in CEOs speeches, sustainability reports and industry conferences on sustainable development, and has become deeply entrenched in corporate sustainability policies, standards and guidance notes, in addition to all manner of corporate literature. Similarly, Kurucz et al. (2008) uphold that such popularity in industry use and application is underpinned by four factors: (i) cost and risk reduction (i.e. SLO compliant firms will face reduced public and regulatory scrutiny), (ii) competitive advantage (i.e. SLO compliant firms will be differentiated and patronized in the marketplace), (iii) reputation and legitimacy (i.e. SLO compliant firms will be viewed positively by society and allowed to operate), and (iv) synergistic value creation (i.e. through SLO, firms can create value for both stakeholders and the

firm). Clearly, this demonstrates that SLO is directly related to corporate social responsibility.

However, problems exist in the use and application of SLO by companies in the mining and other extractive industries. Owen and Kemp (2013: :30) observe that "…while its use is widespread, the industry has approached the term uncritically in the sense that the utility of the concept remains essentially untested within the sector." They further stress that, notwithstanding extensive uptake of SLO by industry, not all companies use the term in the same way or give the term equivalent weight. Social license is premised on the idea of informal or 'tacit' licensing that signals the presence or absence of a critical mass of public consent, which may range from reluctant acceptance to a relationship based on high levels of trust. By its definition, SLO is considered to be fundamentally intangible and informal, unless effort is made to measure, analyse or quantify its character (Boutilier and Thomson 2011).

Bice and Moffat (2014) posit that the criteria defining a social license to operate remain relatively amorphous, at least for the Australian mining industry. They argue that while the concept of a social license is most certainly deemed important by companies, it remains unclear exactly how companies determine whether they have secured or garnered a license. Owen and Kemp (2013) argue that when communities voice or act out resistance to projects (e.g. complaints and protests), such negative actions are interpreted to mean that a SLO is under threat, or does not exist, or should be reviewed. By contrast, the

absence of explicit forms of contestation can be interpreted to mean positive support for company activities. Nevertheless, SLO currently lacks effective communication and feedback mechanisms between companies and local communities (Owen and Kemp 2013). In order to better define and legitimize a SLO, Bice (2014b) maintains that mining companies need to bridge the gap between social license theory and sustainable development practice. Companies need to more clearly “define the criteria which underpin their social licenses to facilitate more apparent and measurable indicators against which stakeholders can make their own judgments” (Bice, 2014:75).

2.5.2.3 How SLO should be granted and by who?

Moffat and Zhang (2014) investigate how social license to operate is granted and maintained vis-à-vis the processes mining companies use to engage with local communities in an Australian mining region. The study measured and modelled the critical elements of social license such as (i) company impacts on community social infrastructure, (ii) contact quantity (i.e. rate of community contact with company officials at meetings and community events), (iii) contact quality (or how pleasant and positive is the nature of community contacts and interactions with company officials), (iv) procedural fairness (i.e. rate of community involvement company CSR decisions and respect of community opinions), (v) trust (i.e. rate of community confidence, trust, and goodwill towards the company, and (vi) acceptance (i.e. how much the community has accepted, appreciated, and approved the activities of the company. The findings of the above study revealed that while all the above elements of social

license can be important, that of contact quality is considered to play a more significant role in company – community relations.

Parsons et al. (2014) argue that while the word “license” tends to suggest the existence of a formal binding agreement between companies and communities on the modalities of company operations, it is not so in practical terms. From their findings, Parsons et al. (2014: :88) conclude that social license is “not a license per se, but a metaphor for processes of engaging with local communities in order to obtain implied approval or acceptance, which in turn reduce the perceived need for regulatory impositions.” This makes the idea of SLO closely related to that of a psychological contract earlier discussed (see section 2.3). Boutilier and Thomson (2011) see and present social license as a ‘continuum’ based on three normative components, legitimacy, credibility and trust – which is a further development of their earlier model where SLO had four levels comprising withdrawal, acceptance, approval and psychological identification. They maintain that building and balancing social capital in the relationships between the company and local stakeholders is a process which moves from legitimacy, through credibility to trust.

Prno and Scott Slocombe (2012a: :348) argue that a social license to operate provides an arena and opportunity for negotiations to be carried out “between mining companies and local communities on the expectations of both parties throughout the mining lifecycle.” In the same vein, Nelsen (2006: :161) also maintains that a social license to operate normally “creates a forum for negotiation whereby the parties involved are heard, understood and respected.” Though, Prno and Scott Slocombe (2012a) caution that negotiation in SLO is

used loosely, and refer only to the general process by which each party's expectations are made apparent and incorporated (or not) into the SLO. This process arguably consists of both formal (e.g. face-to-face negotiation of agreements) and informal (e.g. community expectations may be implicit and embedded in wider cultural norms that are not immediately apparent in mining company activities).

Prno and Scott Slocombe (2012a: :347) further observe that a community's capacity to 'issue' a reliable social license hinges on her social capital and networks. However, Boutilier and Thomson (2011) stress that companies have to learn to create and maintain effective channels of communication and CSR partnerships and collaborations with communities in order to earn a social license to operate. The environmental impacts of businesses which stretches from local, national to global scales have contributed to widening the range of stakeholders that may be involved in the 'issuance' of a social license. Accordingly, Dare et al. (2014a: :195) strongly argue that SLO "is not a singular license granted by all society, but a range of licenses based on prevailing social norms and expectations" that are applicable across society, from local communities to the broader public.

2.5.2.5 Implications for Multinational Oil Companies in the Niger Delta and this study

From the literature so far reviewed in this study concerning oil activities in the Niger Delta, no mention has been made about the concept and application of a social license to operate (SLO) between oil companies and local communities.

Such a finding clearly suggests that multinational oil companies (MOCs) operating in the Niger Delta region have not departed from conventional or old-fashioned approaches to mineral / oil extraction “which at their worst have been associated with adverse environmental impacts, social and cultural disruption, and local economic instability” (Prno and Scott Slocombe 2012a: :346). Non adoption of a SLO by MOCs in the Niger Delta may be one of the causes of enduring crisis in the region.

It could be suggested that MOCs in the Niger Delta may experience a more peaceful and conducive operational environment with host communities. This could be achieved amongst other factors through establishing, maintaining and obtaining a SLO with their communities as stakeholders. This suggests that community stakeholders are less likely to feel exploited or taken advantage of, if SLO engagement experiences between them and oil companies are pleasant and positive. MOCs often concentrate or channel considerable resources (time, effort, money, etc) on mitigating the negative impacts of their activities by investing on social infrastructure, education and economic empowerment initiatives. While such investments are obviously important and relevant in order to build trust with local communities, it is however extremely significant to note that community involvement in company SLO decision making processes may culminate in more effective and long lasting trust in company–community relations (Zandvliet and Anderson 2009).

Environmental stakeholders all over the world (including local communities in the Niger Delta) are aware of the global paradigm shift to sustainable development, and the need for companies to comply with its principles in their field operations. The contestations in the Niger Delta suggest the refusal of the communities to grant SLO and the demands for more positive impacts from corporate actions. SLO has been closely linked with sustainable development compliance statements issued by CEOs of mining companies in different parts of the world (Owen and Kemp 2013). From the reviewed literature, MOCs in the Niger Delta make no reference to SLO and sustainable development or sustainability practices in their reports on oil activities and CSR responsibilities. In other parts of the world, SLO is associated with mutual trust, cooperation and improvement in company – community relations (Prno and Scott Slocombe 2012a), and good company reputation in the marketplace. Its absence in the Niger Delta thus presents one of the gaps in the reviewed literature which this study will further investigate. However, the next section will consider CSR in developing countries.

2.6 CSR in the Developing Countries

In recent years, there has been an increase in the CSR initiatives undertaken by most corporations all over the world. Businesses are gradually becoming aware that they can contribute to economic growth, sustainable development, promote social responsibility and equally engage in activities to protect the environment (Bakić et al. 2015). Although CSR is relatively new in the developing countries (Idemudia 2007), some companies do provide the much-needed facilities to the local communities. However, these CSR initiatives have failed to successfully

address the challenges of environmental pollution and widespread poverty (Lund-Thomsen et al. 2016).

Regrettably, some of the investments weaken the ability of affected groups to make political demands because it is believed to threaten continued benevolence from the company (Newell 2005). For instance, CSR in developing countries is criticised as being a field of the political contest as opposed to the ideal unbiased situation as argued by proponents of CSR (Newell and Chyi Lin 2012). Most organisations that participate in CSR activities do so as philanthropic gestures for good public relations rather than an obligation (Newell 2005). They do not consider CSR as a responsibility to the public (Kim et al. 2016). Therefore, commitment to CSR initiatives in the developing countries is considerably weaker than those in the developed countries (Jamali and Mirshak 2007) as there is an existing gap between the two (Gugler and Shi 2009).

In most developing countries, deliberations on CSR practices have been based on western positions without considering the perspectives of the local communities within which these businesses are being conducted (Ozuem et al. 2014). The multination enterprises, which is the focus of most CSR initiatives in developing countries, emerge from the developed countries (Gugler and Shi 2009). Hence their ideas and policies are based on western attributes, beliefs and conceptions. This has resulted in less impact than would have been expected (Ejumudo et al. 2012) because such actions are often misinterpreted by the beneficiaries. However, corporations in the developing countries still engage in various forms of CSR initiatives. Gugler and Shi (2009) assert that CSR is more popular in developed countries like Canada, USA, Australia and

the UK with less emphasis on countries like China, Nigeria and other developing countries. This is so because they are of the opinion that developing countries are distrustful and hesitant towards western style of CSR. Similarly, Arli and Lasmono (2010) assert that most of the research on CSR were conducted in the context of the developed countries. Hence the successful application of CSR in the developing countries is hardly realised. This is due to the limitations in the practice of CSR as a result of the disparity between the local challenges and global expectations (Idemudia 2011).

In Nigeria however, CSR is focused on the oil and gas industry and the banking sector (Ite 2004). Nevertheless, CSR engagement in most developing countries, in general, is neglectful (Gugler and Shi 2009) which calls for corporations to be more actively involved in CSR. Gugler and Shi (2009) believe that the CSR gaps could be bridged through establishing legal frameworks that would define corporate obligations and improve CSR standards in developing countries. The next section focuses on CSR and corporate-community relation in the specific study area, the Niger Delta region.

2.7 CSR and Corporate Community-Relations in the Niger Delta

Arising from the fact that companies are being held to account for their impacts on local communities and the environment where they operate, Rowe et al. (2014) maintain that corporate social responsibility (CSR) initiatives have become popular in several nations in the world. In agreement with the above position, Matten and Crane (2005) comment that CSR initiatives have become so popular in the last few decades, that companies with good CSR record of

achievements are seen as good corporate citizens. Be that as it may, Jenkins (2005) opines that the emergence of CSR has been perceived by a growing number of researchers and reviewers, as a strategy used by businesses to deflect enduring public criticisms of their corporate behaviour, and a means of avoiding public rebuke and offensive government regulations.

As a result of continual criticisms on the concept of CSR, there is now serious debate on its real purpose or relevance (as perceived by businesses), and effectiveness (as perceived by communities) in promoting community development and lifting rural people out of poverty (Idemudia 2014a). While some proponents perceive CSR as a lever for potential re-invigoration of an old dynamic in company–community relations, critics perceive that CSR is an emergent stage that legitimizes the demands of new functions from organisations (Idemudia 2014a). Kemp (2010) questions the actual practice of CSR by companies arguing that he is not sure whether they are practicing public relations, community relations, or community development. The differences in opinion are what set the stage in CSR debate; those in support of company–community relationships and those against it. However, CSR is a necessity and should adapt to changing public or societal values which bridges the gaps in company – community relationships

Akpan (2006) strongly upholds that corporate – community relations strategies used by oil companies in the Niger Delta have failed to contribute to community development, and in some instances have caused intra and inter-communal conflicts. In disagreement, Ite (2007a) argues that the corporate – community relations mechanisms used by oil companies have indeed contributed to

community development in the Niger Delta region given the extent of government development failure and neglect of the region. CSR initiatives of MOCs in the Niger Delta have contributed positively towards improving the living standards of host communities through provision of social amenities like portable water supply, rural electrification, roads, and shelter (Ite 2007a; Lompo and Trani 2013). On the other hand, Lenssen et al. (2012) strongly argue that though CSR activities by MOCs have somehow contributed to improvements in material well-being of some people in host communities, it has indeed perpetrated inequalities amongst rural dwellers, culminating in serious deterioration in social and cultural relationships within host communities. This therefore suggests that it is not the absence of corporate-community relations that is the problem but its ineffectiveness which could be attributed to its approach.

2.7.1 Phases and Approaches to Corporate – Community Relations in the Niger Delta

Banks et al. (2013) offer insight to the dynamics of corporate – community relations in the Niger Delta, dividing it into three phases, based on shifting degrees of cooperation, accommodation and conflicts. The first or cooperative phase, 1960s – early 1980s, was relatively peaceful as MOCs adopted a pay-as-you-go approach to community relations (Idemudia 2010b). During this phase, communities were kept at arms-length as much as possible while securing local right-of-way (ROW) for oil activities. The primary focus of MOCs

was to give things to communities that they considered necessary in order to secure the support of local elites and chiefs. However, the peaceful relationship metamorphosed into the beginning of peaceful protest following federal government promulgation of the Petroleum Act of 1969 and the Land Use Act of 1978. Both laws systematically dispossessed the Niger Delta people of their property rights over land and petroleum resources and concentrated all such rights on government.

The second or accommodation phase, late 1980s to early 1990s, witnessed increasing socio-economic and environmental impacts of oil extraction activities and the outbreak of more peaceful and sometimes violent protests by communities. The use of peaceful protests and call for dialogue by local communities were usually ignored by government and MOCs, but started gaining international attention and support, and culminating in the adoption of CSR principles and community development models by MOCs (Idemudia and Osayande 2016). The community development model focused almost completely on the provision of social infrastructure with negligible attention on the environmental impacts of oil extractive activities which also contributed to community protests (Idemudia 2010b).

The third or conflicts phase, late 1990s to this day, followed the assassination of Ken Saro Wiwa, a Niger Delta Environmentalist who vigorously campaigned, internationalised and exposed oil pollution and land degradation problems in the Niger Delta. The Federal government used military force to bring the outbreak of youth militant attacks on oil Multinational oil companies (MOC) to no avail. MOCs have deployed different approaches to corporate - community

involvement in their CSR strategies, in order to stop militant activities to no avail. Examples include Exxon Mobil's corporate community involvement (CCI) – a company (public affairs department) driven set of community development activities; Statoil and Total's corporate community foundation (CCF) strategy – i.e. executing community development activities through registered community development foundations; and Chevron and Shell's global memorandum of understanding (GMoU) approach – i.e. expanding community development activities beyond host communities to include a cluster of communities that are equally impacted by oil extraction activities. Each GMoU agreement is signed between the oil company and a varying number of communities found in the cluster (Idemudia and Osayande 2016). Despite the above approaches, militant activities have not ended in the Niger Delta.

The foregoing debate teases out the complexity or difficulty of assessing the impacts of CSR interventions in local communities. Idemudia and Osayande (2016) maintain that the different perceptions amongst reviewers on CSR contributions to community development in the Niger Delta hinges on the fact that CSR as a discipline lacks well developed elaborative methodologies that adequately capture its impacts. That is why MOCs in the Niger Delta are unable to determine the success or failure of their CSR interventions either in terms of its impacts on community development or on corporate - community relations (Idemudia and Osayande 2016). From the foregoing, it is important to consider if the CSR activities/ interventions will be capable of solving the problem of continuous deterioration in corporate – community relations between host communities and MOCs in the Niger Delta. However, Orogun (2010) maintains that the Niger Delta crisis and the search for solutions must go beyond CSR

and community development interventions to the contestations between communities and the federal government of Nigeria in respect of development neglect, land and petroleum ownership rights, and other economic and political injustices suffered by the Niger Delta ethnic minorities in Nigeria. The government therefore has an important role to play in the effectiveness of CSR interventions. The next section will examine government, CSR and community development interventions in the Niger Delta

2.8 Government, CSR and Community Development in the Niger Delta

The role of government in corporate social development, vis-à-vis enhancing or undermining CSR activities and community development in the Niger Delta region of Nigeria constitutes an interesting dimension which this section assesses. Corporate social development here refers to development brought about by CSR initiatives such as poverty reduction, social infrastructure provision, capacity building and community empowerment, and environmental conservation (Hopkins 2006). As mentioned in section 4.2.3 (Political Dimension of the Niger Delta Crisis) and section 2.10 (Multinational Oil Companies and CSR in the Niger Delta Region) of this thesis, both the federal government of Nigeria and oil MNCs have been involved in CSR initiatives in the Niger Delta. However, the question then is; have such CSR activities over the years been carried out effectively and efficiently? What are researchers and reviewers saying about their outcomes and the overall contribution of government to corporate social development in the Niger Delta? The above issues are what this section addresses.

However, Yates (1996) maintains that the Nigerian state is a mono-commodity economy where government depends mostly on rents or revenue from oil. For instance, rents from oil constitute 40% of Nigeria's GDP, while oil export accounted for 95% of the nation's total export and 80% of government income from 1970 to 2006. Such a rentier economy (Idemudia 2010a), fosters a rentier mentality that affects both the nature of the government and its role in society, including CSR activities and community development in the Niger Delta. The resource curse concept (Ross 2001b), alludes to how oil has hindered democracy in developing countries (including Nigeria), fostered a predatory state, perpetrated poor governance (Moore 2004), triggered social conflicts (Idemudia and Ite 2006a) and engendered poor economic development (Karl 1997).

Idemudia (2010a) strongly opines that the government of Nigeria has been unable to effectively support corporate social development in the Niger Delta, and that such inability is directly linked to the nature of government involvement (joint venture partnerships with oil companies) operating in the Niger Delta. Under joint venture partnership agreements, government holds an average of 55% equity, making government both a direct stockholder as well as a stakeholder in all oil MNCs in the Niger Delta. Idemudia (2010a) explains that under joint venture partnership agreements, government and MOCs share the cost of oil production proportional to their equity share, but such cost is fully under the control of MOCs. This means that any attempt by government to regulate the oil industry is tantamount to government regulating itself, because it would have to bear a majority share in any additional cost that arises from government imposed regulatory activities. Thus fines for violations or non-

compliance with oil operational activities (including CSR), are so minimal that it is cheaper to violate than to adhere to the law (Idemudia 2010a). The above scenario makes MOCs to act with levity in terms of discretionary CSR activities as government seems to care less about such approach.

Non-remittance of full government funding or contribution to the Niger Delta Development Commission (NDDC) is seriously undermining corporate social development in the Niger Delta (Idemudia 2010a). The NDDC is charged with the responsibility of sustainable development of the region with 15% of oil revenue from government, 3% of the annual budget of all MOCs, and 50% of ecological funds accruable to each of the Niger Delta states. Regrettably, NDDC has been poorly funded and the federal government has been failing to remit her full share of contribution (Idemudia 2010a). He maintains that despite the stipulation of the NDDC Act, the federal government of Nigeria has been contributing only 10-12% of the nation's annual oil revenue to NDDC; the state governments contribute nothing from their share of ecological funds; and MOCs deduct their individual community development spending before making their 3% contribution to NDDC. As a result of the above, while by law the federal government was expected to contribute NGN318 billion in allocation to the NDDC from 2001 to 2006, it paid only NGN93 billion (Idemudia 2010a). Similarly, MOCs were expected to contribute NGN182 billion during the same period, they paid only NGN142 billion. He concludes that because NDDC is usually starved of funds, it is unable to meet its developmental goals, and government CSR contribution to community development in the Niger Delta is limited.

The institutionalizations of corruption at all levels of government and across most Nigerian agencies have seriously undermined CSR activities and community development outcomes in NDDC and the Niger Delta region. Albin-Lackey (2007) maintains that despite significant increase in the allocation of oil revenue to the Niger Delta since 2000, there is no significant developmental transformation of local communities in the region due to widespread corruption. The federal government usually excludes communities during the composition or appointment of chairman and board members of the NDDC. Such appointees are usually drawn from all parts of Nigeria culminating in divergent interest in development projects priorities for the region, award of contracts and choice of contractors, and contract fraud and abandonment of projects.

Idemudia (2007) upholds that the use of excessive military force by the federal government of Nigeria to engage with local communities, over oil industry disagreements constitutes a major cause of corporate social underdevelopment in the Niger Delta. He cites for example the Odi massacre of 1999. Odi is a local community in Bayelsa state – a core Niger Delta state. Instead of promoting peaceful conflict resolution over divergent and competing stakeholder interests, the federal government deployed the military in Odi community in 1999 which culminated in buildings in the entire community being levelled and over 200 people killed. The Odi community has not recovered since then, and sporadic military attacks of that nature in other communities are rampant in the Niger Delta. Such persistent atmosphere of violent conflicts between government and local communities cannot culminate in corporate social development (Idemudia 2007).

The foregoing information implies that due to over dependence on oil also referred to as rentier oil economy (Yates 1996), government has been aiding and abetting bad practices regarding CSR and community development activities in the Niger Delta region. Consequently the enabling environment that is pertinent to speed up corporate social development in the Niger Delta hardly exist (Idemudia 2010b). With the joint venture partnership agreements and expected profits, oil companies seem to enjoy full support of the government and carry out whatever suits them with regards to investments in CSR because of the effect such investments could have on the company's profit. It could therefore be said that Nigeria's rentier economy is inhibiting the potential of corporate social development in the Niger Delta. It constrains government ability to regulate MOCs in terms of their commitment to CSR initiatives, and is seriously undermining government's own contribution to the NDDC which usually falls below what the NDDC Act stipulates. Government role in CSR and community development in a rentier oil economy context thus constitutes an emergent theme and gap in this literature review that requires further investigation.

2.9 Niger Delta Development Commission

The Niger Delta Development Commission (NDDC) was established by the FGN through NDDC Act 2000 with a mission to facilitate the rapid, even and sustainable development of the NDR, ensuring that it becomes economically prosperous, socially stable, ecologically regenerative and politically peaceful (see NDDC mandate in Appendix E). The mandate was followed with a Niger

Delta Development Master Plan prepared and launched in 2007. The Master Plan was conceived as a tool that millions of people in the NDR can use to actualize their common dreams and build their future to the standard they desire (NDDC, 2006). The Master Plan was designed to offer stakeholders at all levels (individual, group and community) the opportunity to participate fully in the development plans and programmes of the NDDC. This commission was established to address the agitations of the oil producing communities, to improve their living conditions and to offer a lasting solution to the socio-economic difficulties of the NDR (NDDC 2006).

The areas or sectors covered in the Master Plan includes Demography, Environment and Hydrology, Agriculture and Aquaculture, Biodiversity, Transport (infrastructure), Rural, Urban and Regional Planning, Community Development, Governance and Capacity Building, Health, Small and Medium Enterprises, Water Supply, Energy (Electricity), Telecommunication, Vocational Training (focusing on youth employment generation),Waste Management and Sanitation, Large-Scale Industry establishment, Solid Minerals extraction, Tourism, Social Welfare, Arts, Sports and Culture, Women and Youth Employment, Conflict Prevention, Financial instruments and access to credit and investment promotion (see Appendix F for details on NDDC projects). With all these in mind and the implementation of some NDDC projects within the oil producing states, the idea seems to be perceived by the communities as a palliative measure which is yet to address their major concerns. Despite the establishment of NDDC, the expectations of the host communities from the MOC have not reduced.

2.10 Multinational Oil Companies and CSR in the Niger Delta Region

CSR has huge potential of making positive contributions to address the needs of underprivileged societies in developing countries. However, there are ways in which CSR could, whether by accident or design, damage the same communities, politically, social and economically; a typical example is that of the NDR. Corporations are expected to accommodate the interest of their stakeholders and embrace them in order to promote a viable operating environment (Ako et al. 2009). Theaker (2004) argues that organisations exist within large networks of stakeholders who stake claims on the organisation. Therefore, the standard of CSR should be assessed alongside the commitment of stakeholders. Swanson (2002) argues that the concern in business-society relationship today is not about making money and giving a portion back to the community, but rather it is about how the company earns its money (moral justification for its profits) and interacts with communities. The case of the NDR as outlined above would, therefore, require some consideration and critical evaluation of the CSR by multinational oil companies.

Most organisations would broadcast their philanthropic contributions to the public with the expectation that it will enhance their well-being in the eyes of the community and larger society. This is what Epstein (2007:1) calls “the good company” that makes the right decisions in order to achieve a recognisably good result. He further argues that civil society should promote corporate behaviour which is in the interest of the society. Reporting CSR activities is as important as rebranding a product (Lindgreen et al. 2009) because CSR is

related to marketing. Lindgreen's views of considering CSR from the perspective of marketing may have an adverse effect on the company because the society may see it as a selfish means of achieving the company's desired goals at the expense of the society's genuine interest. There is no doubt that there could be a misconception on certain issues, but the integrity of an organisation may be hampered if the society feels that they have been misled through the way CSR is reported by corporations. It is, therefore, pertinent at this point to balance their claims with what is physically seen (la Cour and Kromann 2011). There have been conflicting views about the CSR by multinational oil companies in the NDR. While the multinationals are saying much about the amount they spend yearly on CSR, the communities are at logger heads with the companies and at the same time blaming the government for their predicaments.

In a bid to assuage the conflicting relationship that exist between the oil companies and the host communities (Orogun 2010), the multinational oil companies have embarked on various projects aimed at reducing the suffering of the people who have been adversely affected by oil-related activities and to create an enabling environment for their continuation of business (Ejumudo et al. 2012). Tuodolo (2009) states that most of the services and infrastructure provided by Shell were either hitherto absent, inadequate, or dysfunctional in the local communities. For instance, in the Nembe area of Bayelsa state where Shell has one of its largest production fields, Shell provided power plants for the generation of electricity, built houses for judges and provided scholarships for selected students (abroad and within the country). They also constructed a

network of roads, sand-filled part of the waterlogged areas of the community, paid allowances to teachers of the secondary school, built a six-block classroom for the primary school, provided micro-credit for women and provided drugs in the hospital, amongst other things. Shell's CSR programme has therefore introduced many developments that have benefited this local community.

In addition to this, Chevron has supported small and medium scale enterprise development and micro credit finance giving loans to 160 women between 2008 and 2009 to boost small trading businesses. As part of their CSR, they have also empowered local contractors through entrepreneurial training of 680 community contractors. In 2009, Chevron in conjunction with Nigerian National Petroleum Corporation (NNPC), awarded scholarships to 2,450 secondary school students, and 1,600 college students (Ejumudo et al. 2012). Other multinational oil companies such as Exxon Mobil have equally been involved in CSR programmes such as construction and renovation of schools, donations of equipment to hospital and schools and general support for education in its host community (Idemudia 2009). This is, therefore, an indication that multinational corporations are involved in CSR programmes within this region. The question then is *why* are there still problems despite all these programmes and projects?

Contrary to the above, Eweje (2007) discovered that there is a difference between what the reality is (a practical programme) and what the multinational oil companies present in their official report. He also states that most of the development programmes are not based on priorities set by the communities,

but on what suits the public relations image of the oil companies. The desired result expected by the oil companies from the communities is therefore not achieved therefore rendering their efforts ineffective. This invariably means that an effective CSR programme should be in line with the needs and priority of the community. For example, building schools for people who do not have a means of livelihood (farmlands and rivers destroyed through oil spillages) does not seem to make sense to the rural inhabitants. In support of this view, Idemudia (2009) argues that though Exxon Mobil pays attention to community participation in its partnership strategy, this strategy undermines effective community participation which means priority community needs are inadequately met. He also states that failure to sufficiently involve the community in the design, implementation and monitoring of community development projects will rarely if ever yield the desired results. Idemudia's argument for community involvement in CSR activities is that it will afford the oil companies an opportunity to address the real issues at stake. It will also address the need for oil companies to modify corporate behaviour to produce less harm and more beneficial outcomes for societies and their people (Wood 1991).

2.11 Community Expectations of Multinational Oil Companies

In line with socio-economic practices in oil bearing communities worldwide and especially in more advanced civilisations, the discovery and exploitations of oil has always been a welcome development for the inhabitants of such communities. Therefore, the hope and initial excitement in the NDR that they would automatically be entitled to benefits that come with being oil producing

communities was, therefore, legitimate (Afinotan and Ojakorotu 2009). This has not been achieved in the NDR. Despite efforts by multinational oil companies like Shell, Chevron and Exxon Mobil through community development programmes and socio-economic development activities and initiatives for local communities, the crisis has continued (Idemudia and Ite,2006; Ejumudo et al., 2012). The communities believe that they are not getting enough social and economic infrastructures/assistance from the multinational oil companies and that the CSR initiatives are not addressing both social and environmental problems they are intended to resolve (Eweje 2007). The lack of agreement between the two parties could be as a result of the expectations of the host communities not being met, and this is what this research intends to explore.

Eweje (2007) is of the view that the anticipated outcome of oil exploration by host communities from the multinational oil companies is not as expected. The communities expect social development projects that provide hope of stable and prosperous future; they want employment for their youth, reduction in environmental damage of their farmlands and social development of the entire region. This invariably means that the multinational oil companies are not doing as much as is expected of them. Eweje also attributes the crisis within this region to lack of basic infrastructure like good roads, electricity, hospitals, schools and water amongst others. Similarly, Ako et al. (2009) report that incessant and repeated oil spillage within this region by Shell facilities, for example, has destroyed the farmlands and fish ponds of villagers living near those facilities and has also resulted in wildlife migration. This is unacceptable and contrary to the idea of CSR as expressed in earlier sections.

However, the issue of oil spillages rarely occurs in the developed world in recent times. Ako (2012) argues that the multinational oil companies especially Shell is believed to enjoy strong political leverage and contacts with the Federal Government and have adopted operating standards below those they adhere to in developed countries. A question that arises is whether the application of CSR should be dependent on the region or there should be a globally acceptable standard of operation. Oil exploitation has therefore negatively impacted on the environment which is in contrast with environmental sustainability being one of the triple bottom lines of CSR as proposed by Elkington (1998). Afinotan and Ojakorotu (2009) suggest that oil and gas companies operating in this region should be encouraged and if necessary, compelled to comply with international best practices to ensure the protection of natural habitat through their implementation of CSR. Similarly, Eweje (2007) opines that corporations have the obligation to protect the environment over and above what is required by environmental laws. The main focus of the study is on the societal element which Elkington refers to as people.

The host communities also expect the multinational oil companies to pay compensation for the social and environmental injuries caused by oil operations. Unfortunately, efforts made in this regard are often open to debate. For example, while community members complained of loss of drinking water and damage to house roofs by acid rain due to gas flaring, Exxon Mobil has dismissed such claims by arguing that independent studies conducted by scientists recruited by the company did not find any scientific proof to substantiate such claims, therefore, shutting any further discussion on possible

payment of compensation or reaching any form of understanding (Idemudia 2009).

Findings by Idemudia also indicates that corporations can best contribute to development and poverty reduction by creating new sources of livelihood through social investments and ensuring that existing source of livelihood is not destroyed or lost due to the processes involved in oil exploitation. These expectations have contributed to dissatisfaction and consequently, the persistent crisis within the NDR (Aaron 2011). To solve these problems, Idemudia (2009) suggests a closer interlink and partnership strategy between the host community and the oil companies. He also recommends an effective management of the psychological contract between the two parties. This means that there is a contractual relationship that needs to be explored and understood by both parties in order to achieve the desired CSR results.

2.12 Conclusion

This chapter has critically evaluated the literature relating to CSR and the psychological contract between the host communities and the multinational oil communities in the NDR of Nigeria. The concept of CSR and the various debates on this concept have been examined, and it has been found that CSR is the expectation/requirement/obligation of a firm to the society where it operates by reducing its negative impact and increasing its positive impact. The chapter also considered the theoretical underpinnings of the study. The

concepts identified to be closely related to this study are; stakeholder theory, psychological contract theory and the notion of social licence to operate (SLO).

The emphasis of stakeholder theory is on value creation through stakeholder relationships that requires a balance in management issues (Brown and Forster 2013). This theory identifies the relevance of stakeholders in the management and operations of the corporation and the need to include stakeholders' concerns in addition to the interest of its shareholders. Stakeholder theory is relevant to this study because the host communities are seen as stakeholders to the multinational oil companies and can affect and be affected by their activities. Stakeholder theory also spells out the relationships between the various types of stakeholders. The stakeholder models discussed in this study are that of Edward Freeman and Mitchell.

These models contain the different views on how the interest of the stake holders can be accommodated depending on the nature of relationships. The psychological contract explores such a relationship from an implicit contractual perspective which is based on mutual expectations. Similarly, the study identifies SLO as being relevant for the study because of the need to critically analysis the extractive activities of the MOCs, their impact on the environment and immediate society as well as the ability of multinational corporations to meet stakeholders' expectations and adhere to societal norms through their CSR programmes and activities. The study evaluates the level of commitment of the oil companies to the needs of their host communities through CSR, and

how morally acceptable their CSR policies have been implemented. The following chapter presents a detailed discussion of the way in which this study was conducted hence, its methodology.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter explains the methodological considerations that guided the entire research process. In order to adequately present the process, the chapter is divided into seven sections. The first section explains the philosophical underpinning of the research. Section two considers the research design consisting of the type of research and the methods to be adopted in the research, the sampling strategy to be used and the source of data to be obtained and justifications for philosophy, strategy, approach and design. These are followed by describing the instruments for data collection and discussion of credibility and transferability of the research. The data analysis method is also discussed as well as ethical considerations of the research. The last section of this chapter discusses the time frame for the research which is determined by limited funds, research sponsorship and the timeframe stipulated by university regulations.

3.1 Research Philosophy

Developing a philosophical perspective requires that the researcher makes several core assumptions concerning the nature of society and the nature of science (a subjective or an objective approach to research) (Burrell and Morgan 1979). Saunders et al. (2009) maintain that the research philosophy contains

important assumptions about the way in which the world is viewed, which underpins the researcher's strategy and choice of methods. An understanding of such philosophy is important because it affects the entire research process. This research is built from the philosophical perspective of constructionism which sees human beings as subjects and human behaviour as being affected by knowledge of the social world that exist only in relation to human beings, things and events (Wisker 2008).

Constructionism and constructivism are sometimes used interchangeably, but Gergen (1985) and Gergen (1999) recommend the term 'constructionism', because constructivism is sometimes used in reference to Piagetian theory in psychology, and to a particular kind of perceptual theory (also in psychology), that could cause confusion. Based on Gergen's recommendation above the researcher will use the term constructionism throughout. Constructionists often pay attention to shared meanings. By living, working together or interacting, people come to share some meanings and ways of judging things (Gubrium and Holstein 1997). Constructionists hold that all knowledge, and therefore all meaningful reality, is contingent upon human practices, being constructed through interaction between humans and their world which is developed and transmitted within a social context (Crotty 1998). Thus, to try to understand people in their world, the researcher needs to interact with the participants.

Constructionism is often associated with the term 'social constructionism', following the interpretivist philosophy that it is imperative to explore the

subjective meanings motivating the actions of social actors in order to be able to understand these actions (Saunders et al. 2009). The researcher's ontological position is that knowledge is subjectively created (constructed) and reality (meaning) is socially constructed and thus shared amongst people within the same geographical, social and cultural background. In this way, the knowledge generated is focused on a societal rather than an individual basis. The researcher also believes that human actions and decisions are sometimes complex and other times easy to understand and therefore needs to be explored from different perspectives. So the argument is that the situation in the research area can, therefore, best be understood through subjective knowledge.

Social constructionism is an epistemological standpoint which views reality as being socially and societally embedded and existing within the mind (Grbich 2007). It "assumes that there is no objective knowledge that is independent of thinking", and that knowledge is constructed jointly, through social interaction and consensus between the researcher and the researched (Grbich, 2007: 8). For Wisker (2008), constructionism is based on the belief that human knowledge and meanings are based on experience and relationships between people and events. Burr (1995) maintains that the world gets constructed when people talk to each other. There are some principles that delineate social constructionism and which determined the way research is being conducted. First, research is a means by which we explore the way people interpret and make sense of their experiences in the world (Grbich 2007). Second, reality is

not a product of objective observation of the world, but of the social processes and interactions (involving the use of language) between people (Burr 1995).

Third, knowledge is seen as being subjective, based on specific history and culture, and different cultures use different concepts and categories to present social realities or facts (Burr 1995). Fourth, Knowledge and social action are inseparable. Constructed and shared knowledge of social realities (amongst human beings) attract different kinds of action (Burr 1995). Fifth, subjectivity and inter-subjectivity are vital elements in the research process (Grbich 2007). And finally, Interpretivism is opposed to positivism, thereby pointing out that conventional knowledge is only based on objective and unbiased observation of the world (Burr 1995). Thus this research is not aimed at establishing objective knowledge or truth, but rather subjective knowledge and understanding. Ideas about 'truth' and 'certainty' are not applicable or appropriate terms.

The approach of the research is not from a positivist perspective because there is no truth or absolute reality to be discovered. The research questions suggest that meaningful reality can only be appreciated from the perspective of humans and society, which undergoes constant construction. This research involves human beings and contestations surrounding oil exploitation in Nigeria's Niger Delta region and CSR. From the literature so far reviewed and the various social issues involved, it is evident that what is in the research area is arguably socially constructed, and as such, was not ever out there to be discovered objectively. Wisker (2008: 66) maintains that "not all of the questions we ask of the world are predictable, many are to do with human interactions, perceptions and interpretations; many are based on a form of constructivism rather than

something predictable and proven." This is affirmed by Berger and Luckmann (1991) who maintain that conversation is the most important means of sustaining, altering and reconstructing subjective knowledge.

Positivists have criticised constructionism in social research on the grounds that it lacks scientific rigour (Darlaston-Jones 2007). Under the principles of scientific research, a study must be conducted systematically, sceptically, ethically, and rooted in statistically analysable empirical data (Robson 2011), for it to attract acceptable knowledge outcomes. The positivists and realists are also of the view that socially acceptable knowledge can only be knowledge which is based upon objective and unbiased observation of the world (Burr, 1995). However this is contested based on the submission of Crotty (1998) who states that empirical approaches, whilst being a precious human achievement that provides the ability to measure and count, must neither be a basis of relegating other epistemological stances to the background, nor the conclusion that scientific approaches alone can offer all answers to the different questions that abound in social research.

To positivists, constructionism merely offers opinions of subjective judgements about the world. As such, there is no basis on which to judge the validity of their knowledge claims. However, Gillham (2000b) argues that positivist-empiricist approaches are appropriate in certain types of inquiry and inappropriate in others. This is supported by Marsh and Furlong (2002) who opine that one person's view of the world, and of the relationships between social phenomena

within it, is as good as the views of another person. The methodological approach for this research is therefore dependent on the aim and objectives of the research, the researcher's ontological position of subjectivity and analysis within the constructionists' perspective. The research design must enhance the collection of appropriate data that will enable the researcher an exploration in answering the research questions and achieving the research aims and objectives.

3.2 Research Design

In choosing a methodology and a research design, the social researcher is faced with a variety of options and alternatives (Descombe 2007). A research design is a strategic plan for a research project, setting out the broad structures and features of the research (Gray 2009). This concerns the plan of action and building blocks which will construct the entire research. Research design is alternatively viewed as the framework for the collection and analysis of data (Bryman and Bell 2011) or a plan to guide research activity which deals with the aims, intentions and purpose within the practical constraint of location, money, time and availability of staff for the research (Robson 2011). Robson also sees research design as being concerned with turning research questions into a project, which is a crucial part of any research. It is the general plan of how the research questions will be answered (Saunders et al. 2009).The research design, therefore, covers the methodology, sampling strategy, data collection techniques, type of data to be collected, the instrument for data collection, data analysis approach and method/s of the data analysis.

3.3 Exploratory Study

This study adopts an exploratory approach in order to understand and clarify the nature of the relationship between the multinational oil companies and the host communities in the Niger Delta region of Nigeria. The study also seeks to explore and understand the cause of frequent disputes between the parties involved. Exploratory studies are aimed at finding out what is happening and clarification of the nature of a phenomenon, which can be conducted through a search of relevant literature, interviewing and conducting focus group interviews (Saunders et al. 2009). The emphasis on exploratory research is not on hypothesis testing, but rather it is used to identify what is going on in situations where existing knowledge is not sufficient to generate a hypothesis (David and Sutton 2004). Hypotheses infer prediction and prediction are not part of the interpretivists' objectives. Based on the research questions and the desire to generate new knowledge from the research findings, an exploratory study is seen as the most feasible approach for this research. The philosophical position of the researcher that the social world is interpreted, constructed and given meaning subjectively by people also supports the description of this work as exploratory research.

Exploratory research has been criticised for being too flexible (Saunders et al. 2009). However, the flexibility inherent in exploratory designs does not mean the absence of a direction to the enquiry, but that the focus of the research starts from a broad sense to a narrow one as the research progresses (Adam and Schvaneveldt 1991). It would be inappropriate for the researcher either to

use an experimental approach, which is a scientific principle of testing theory or an explanatory approach to establishing a causal relationship between variables. The research, therefore, adopts an exploratory qualitative approach in order to seek new insights, to ask questions and to clarify ones understanding of the phenomena.

3.4 Qualitative Approach

Embracing a qualitative approach in the research is inspired by Bryman (2001)'s explanation that a qualitative research tradition is a commitment to viewing the phenomenon (actions, norms, events and values) from the perspective of the people who are being studied. A qualitative method of research enables the researcher to develop detailed information about individual/s or place/s and to be highly involved in the participants' actual experiences (Creswell 2003). An alternative view is given by Bazeley (2013) who maintains that the qualitative method is used by researchers whose focus is on observing, describing, interpreting and analysing the phenomenon. Gray (2009) also sees qualitative research as research that involves the deep, holistic and intensive study of the context. Qualitative research focuses on quality rather than quantity (Bazeley 2013) and can be used from different approaches depending on one's philosophical position (Robson 2011).

From a constructionist perspective, it is believed that doing qualitative research is the most appropriate approach. This is affirmed by Rubin and Rubin (2005) in that the philosophy underpinning qualitative research builds on an interpretive

constructionist approach. The nature of qualitative research questions also reveals that the answer can only be obtained from the perspective of the participants. A qualitative research approach affords the researcher an opportunity of gaining an in-depth knowledge and understanding of the participants' opinion, experiences, attitudes and feelings. In this case, the researcher sees the world through the eyes of the participants. Carter and Little (2007) argue that qualitative enquiry is focused on asking questions about phenomena as they occur in a context in order to understand the meaning of human action rather than setting out predetermined hypotheses. This indicates that an understanding of the complexity of human conditions/actions can best be done through qualitative research.

Denzin and Lincoln (2003) identify weaknesses in the Qualitative methods on the grounds that they do not rigorously examine or measure (if they measure at all) in terms of quantity, amount, intensity or frequency. On the other hand, quantitative research has the advantage of covering a larger number of participants, being cost-effective, time-saving, easy to get information, less pressure on respondents and straight forward analysis of answer (Gillham 2000a).These advantages may be justifiable reasons for the choice of a quantitative approach to research, but the quantitative approach does not interpret the unwritten expression beyond the ticked boxes which can be achieved through qualitative research. It may be misleading to suggest we can measure human feelings or levels of satisfaction using a statistical tool as is the case in quantitative research. The use of numeric data will not provide a sufficiently detailed exploratory analysis of what is happening in the research

area. The purpose of this research is not to measure responses but to have a subjective knowledge and understanding of the phenomena. After all, feelings, emotions, sentiments and experiences are not things that can be measured.

This research does not adopt what might be called a pragmatic approach of using a combination of qualitative and quantitative approach (mixed method) as advocated by (Mingers and Brocklesby 1997; Greene 2007; Creswell 2009; Modell 2009; Robson 2011) and many other researchers because the research questions do not require mixed methods methodology. The researcher believes that understanding the phenomena will best be achieved through an in-depth study and analysis of the situation and not based on numerical values; therefore, the use of the mixed method is inappropriate. It is also believed that using only a qualitative approach in the study will enable the researcher to generate more credible findings through a combination of purely qualitative methods. Qualitative research can be carried out using various methods such as semi-structured interviews, observations, surveys, structured interviews, unstructured interviews and focus groups. The researcher used semi-structured interview and focus group for this research because it is believed that the nature of what is in the research area would best be understood through these methods of data collections. These methods were used to complement the data collected from each method in a case study methodology. Detailed discussions of these methods are found in 3.6.2 and 3.6.3

3.5 Case Study

The research is centred in the Niger Delta region comprising nine states (Abia, Akwa Ibom, Bayelsa, Cross River, Imo, Rivers, Ondo, Delta and Edo) with a land mass of over twenty thousand square kilometres and a population of twenty-eight million. This region is chosen because the literature so far reviewed indicates that over the years, there has been a difficult and often fraught relationship between the host community and the multinational oil companies (Eweje 2007; Afinotan and Ojakorotu 2009; Ako et al. 2009; Aaron 2012a; Ako 2012; George et al. 2012). It would be impossible to cover all the states in this research due to time constraints and limited human and financial resources. The case study methodology is adopted because most of the states where oil exploration is being carried out within this region have similar traits and one case can sufficiently represent other cases (Denzin and Lincoln 2008; Bazeley 2013). The case study works well here because it offers more opportunities than the survey approach by providing sufficient details to unravel the complexities of a given situation (Descombe 2010), using clear evidence from various sources (Saunders et al. 2009). Case study methodology is suitable for this research because the research involves real life situations and the focus is on revealing new concepts and new relationships in order to interpret and understand what is going on.

Similarly, Anderson (1993) identifies the main concern of case studies with how and why things happen and offering the investigator an opportunity to gain new insights on what is prevalent in the context. The case study approach is the

most appropriate methodology for the research as identified by Noor (2008) and Robson (2011) who argue that a case study as an empirical investigation of a contemporary phenomenon within its real life context using multiple sources of evidence. A case study will furnish the researcher with sufficient details on the constructions and a better understanding of the phenomenon. The case study approach has the advantage of being analysed from an all-inclusive view rather than being based on isolated factors. Yin (1994) also supports the use of case studies because they can be used to evaluate variations in opinion and view-points depending on the perspective of the different actors.

There are several types of case studies research as highlighted by Robson (2011) and Yin (1994) which include; single case study, cross–national comparative studies, individual case studies, social group studies, multiple case studies, organisational and institutional studies amongst others. This research adopts a single case study design with multiple units of analysis. The multiplicity in this study concerns three sites within the same region. Three communities in Akwa Ibom state were selected for the study, which includes Mkpanak, Edo and Eket communities in Ibeno, Esit Eket and Eket Local Government Areas respectively. The choice of these communities is based on the presence of oil companies and oil-related activities. Multiple units of analysis will be used as the basis for confirmation of findings and not for statistical generalisation (Robson 2011).

Having more than one community enabled the researcher to generate data for corroboration and agreement between respondents to strengthen the arguments and the theory as it develops. The primary purpose for the use of multiple scenarios is not the quantity but rather its quality. Yin (2004) asserts that the use of multiple cases can strengthen the case study findings and make the interpretation more robust compared to using a single case and provide compelling support or refute the initial set of assumptions (Yin 1994). In this study, three communities are selected within one state to make the findings more robust. Though case study is mainly associated with qualitative research, it can also be used for quantitative research.

There are other methodologies such as longitudinal studies, ethnography, experimental research, action research, phenomenology amongst others which may not be appropriate for this research. Ethnography, for example, focuses on the study of culture and group, its emphasis is on their lifestyle, understanding and beliefs (Descombe 2010) which are not the focal point of my research. This study does not intend to test existing theories through the use of experiments nor carry out a longitudinal study over a specified period in order to compare their outcome. The cases therefore chosen are based on their attributes and distinctive features. Using case study approach gives the researcher a holistic view of all issues involved in the study. Robson (2011) identify case study as the study of a single case that is particularly complex to understand its activities within important circumstances. Data collection methods that may be used for Case study research include interviews, archives, survey, observation, focus group and questionnaires. The choice of data collection method depends on the

research questions which determines the kind of sampling techniques used in order to collect the right kind of data that will answer the research questions.

3.6 Sources of Data

The research is based on both primary and secondary data. Primary data is data that is obtained from original sources and not from already published (secondary) sources (Robson 2011). Using primary data enabled the researcher to obtain first-hand information rather than simply relying on already published work. In using secondary data, the researcher saves time and money which is a major factor in generating primary data. On the other hand, the use of secondary data has its limitations being that the quality of the data cannot be guaranteed and has limited information (It is also limited in that it was collected for some other purpose). The primary data was generated through the use of semi-structured interviews and focus groups. Generating primary data could be expensive and time-consuming, but it was considered inappropriate to rely heavily on secondary data for the research due to the research aims, methodology and field of study. The primary data was used to support or question what is reported in the secondary data. Using secondary data has limitations because the data set is fixed and the researcher or user cannot have access to additional information. The researcher (user) is limited by the data provided by the original researcher.

The primary data generation methods enabled the researcher to see beyond the written documents of the secondary data and observe other things such as

facial expression, intonation, gestures and hesitations in the responses. Individual interviews were conducted with government officials (NDDC), expert employees of the oil companies, local employees of oil companies and members of the host communities. However, some aspects of the research also required the use of secondary data. The secondary source of data includes organisations' reports, website contents, newspapers, journals, books, government official reports amongst others. Multinational oil companies' reports are used to ascertain and evaluate the CSR activities, and programmes carried out by the companies. The annual reports from the Niger Delta Development Commission (NDDC) are equally used to ascertain the level of government involvement in contributing to the CSR activities of the multinational oil companies. The secondary data provides the researcher with adequate background information about the research area and useful contact persons to enhance the collection of primary data.

3.6.1 Primary Data Generation Methods

The researcher used an inductive approach in conducting semi-structured interviews and focus group discussions with the government representatives, host community members, and oil company officials in order to probe for insights into rich and comprehensive information on issues surrounding oil exploitation and disputes in the NDR. Inductive approach research is that which involves the development of a theory as a result of the observation of empirical data (Saunders et al. 2009). The research adopts an inductive approach, not for the purpose of building a theory but rather for an exploration of what is going on in the area being investigated (Robson 2011). The Interviews enabled the

researcher to gain an in-depth knowledge about the experiences, opinions, feelings and interpretations of the phenomena from the point of view of the respondents, while the focus groups were used to clarify further issues mentioned during the interview or vice versa to strengthen the argument.

3.6.2 Interview

Interviews are purposeful conversations between interviewers and interviewees, aimed at collecting views and relevant information on a particular research topic (Frey and Oishi 2003). Interviews are useful tools for people who enjoy talking about the phenomenon surrounding them rather than writing (Gray 2009). Creswell (2009) is of the opinion that interviews are useful when participants cannot be observed directly. In the course of the interview, the researcher may develop new knowledge and ideas through the enquiries from the interviewee (Bryman 2006). The interview is also seen as a flexible and adaptable way of finding things out (Robson 2011). Irrespective of the underlying methodology, Interviews are used as methods of data collection in most research designs (Sarantakos 1993).

Accordingly, interviews are used in both qualitative and quantitative research. The interview method is therefore considered to be the most appropriate for this research because, in using interviews, it is believed that new understandings will be made from the researcher's interaction with the employees of the oil companies, the government and the host community in order to understand their views about oil related disputes and other issues in the NDR. Kvale (2007)

supports the use of interviews as a means of knowing more about other people, their practices, feelings, experiences, and hopes and the research interview as an inter-view where knowledge is constructed in the inter-action between the interviewer and the interviewee. During the interview process, new ideas are discussed, and knowledge created which results in better understanding of the situation under study.

Interviews have strengths and weaknesses in terms of data collection and analysis. The advantages of using interviews as highlighted by Kemper et al. (2003) include; flexibility, high response rate, easy administration, opportunity to correct misunderstandings, provides an opportunity for observation of non-verbal behaviour by respondents, explanation of more complex questions, and variation in length of time amongst others. The weaknesses include costs (in time and money), possibility of the interviewee avoiding answering certain questions and thus hiding information, attempt of interviewer bias, low perception of anonymity by respondents (due to the fact that the interviewer may have previous knowledge of the participant's residence, family condition and other personal details), high time consumption during data analysis and for conducting in-person interviews and authentication of data Kemper et al. (2003).

In the past sixty years, there have been concerns over the status and use of interview data in social research (Hammersley 2003). For instance Dean and Whyte (1958) ask "how can we know if an informant is telling the truth?".

Similarly, Deutscher (1973) raise concerns about the disparities that exist between what people say and what they do, which could make the interview data difficult to analyse. Murphy et al. (1998) also report on radical critique in the use of interviews focusing on critical appraisal of the mind and behaviour in interview data, epistemological arguments, and methodological caution. From Murphy's point of view, the researcher's philosophical position as earlier mentioned determines the choice of data to be obtained and the instrument therefrom. The aim of this research is not to establish 'truth' but rather to have an understanding of the phenomenon; therefore, interview was the most appropriate tool despite its historic criticisms.

Hammersley (2003) affirms that the critical views on interview data are not meant to disqualify or underrate the relevance of interviews in social research but rather, to draw the attention of researchers towards the need to exercise great caution in the collection and analysis of interview data. Atkinson and Coffey (2002) suggest that the researcher should recognise the kind of role he/she plays in the interview process and eliminate the temptation to deal with such data as if they give one access to personal or private experiences. As noted by Gray (2009) the human interaction between the interviewer and the respondent may pose challenges to interviewing. However, other constructions and possibilities could be theorised from their non-verbal expression (body language, gesture, facial expression, etc.). It is an interpretation (by the interviewer) of interpretation (by the interviewee) of the experience they have.

Sarantakos (1993) summarises the different types of interviews used as data collection tools to include individual/group, structured/unstructured/semi-structured, standardised/unstandardized, oral/written, telephone, unique/panel, ethnographic, Delphi, computer-based and clinical interviews amongst others. The semi-structured interview allows for probing of views and opinions and for respondents to give a detailed explanation of their answers (Gray 2009).The semi-structured interview also allows for some control for the interviewer in the order in which the topics are considered and letting the interviewee develop ideas and speaking more widely on the issues raised (Descombe 2010). The researcher, therefore, conducted individual interviews in order to have an in-depth knowledge of the situation and a better understanding of the phenomena.

Other kinds of interviews as highlighted above may not be very appropriate for this research. Unlike the semi-structured interview, the structured interview involves tight control over the format of the questions and answers, which is sometimes seen as questionnaire and the respondent is expected to offer limited-option responses. The unstructured interview, on the other hand, gives unrestrained control to the respondents, in this case, the emphasis is placed on the interviewee's thought (Descombe 2010) and the interviewee may be carried away to discuss what may not be relevant to the research questions. The semi-structured interview is, therefore, a balance between the two, allowing the respondent to express their views and at the same time exercising reasonable control over the process in order to achieve the research objectives within stipulated time.

The researcher conducted twenty-eight individual semi-structured interviews with government officials from the Niger Delta Development Commission, employees of the multinational oil companies in charge of the CSR and representatives of the host communities. Those interviewed in the communities includes the older men, women and the youth. The choice of older men is informed by the fact that they may have experienced several instances of the crisis in the region hence the need to share their experiences and views. That of the women is because women are believed to be greatly affected by societal problems and are in most cases at the receiving end of the crisis. Their ideas and views of what is happening in this region are believed to be from an unbiased perspective. The youth interviewed were between the ages of eighteen and forty. The youth is believed to be active participants in the ND crisis (Snapps and Hamilton 2011). The young people below this age range were not interviewed for ethical reasons.

Considering the time it takes to conduct interviews, the researcher gave adequate room for alterations and modification of appointments with participants during the data collection process. From the interview, the researcher gained accounts of events, the feelings of the respondents, insight into their beliefs and opinions and thoughts about the future and insider knowledge on issues relating to the research topic. The main research question that requires the use of interviews in order to achieve its objective is; what is the nature of the relationship between the host community and multinational oil companies in the Niger Delta region with regards to CSR? The aim is to

consider and clarify the nature of the relationship between multinational oil companies and local communities. Other sub-questions and objectives include:

(i) How are the CSR programmes/activities by multinational oil companies affecting the socio-economic lives of host communities?

Objective: To examine the impact of CSR in improving the standard of living in the NDR.

(ii) How are oil exploration/exploitation activities affecting traditional livelihoods in oil producing communities of the NDR?

Objective: To critically examine the impact of oil extractive activities on rural livelihoods of host communities.

(iii) Why are there frequent disputes between the host communities and oil companies in the NDR?

Objective: To unearth the underlying cause of frequent disputes between the host communities and oil producing companies in the NDR.

(iv) What are the expectations of the host communities of the multinational oil companies and vice versa?

Objective: To analyse the perceptions and expectations of the host communities of the multinational oil companies operating in this region.

(v) How are the different community groups (e.g. youth, women, chiefs/elders, and local politicians) involved in oil-related contestations in the NDR?

Objective**:** To establish the level of involvement of different community groups in oil related issues in the NDR.

Arranging and conducting interviews was not easy because interviews had to be conducted at the time and convenience of the interviewee. The researcher booked appointments in advance with the government officials and the top management from the oil companies for interviews. Some members of the local communities were unwilling to participate in the interview. Similarly, some of the oil company employees were not willing to give sensitive information about their organisation in order to safeguard their jobs and positions. Some of these limitations were overcome by providing adequate time for adjustments and cancellation of appointments by the participants. However, the researcher was only on site for a limited time. The political and ethical difficulties were dealt with by providing confidentiality for all participants, assuring and reassuring them that their names will not appear on the report, that the information will be kept under lock and key and fully informed consent will be sought. Interviews were used to disprove or confirm some claims in the literature so far reviewed.

The interviews were conducted at the respondents' workplace and other convenient arrangements made at the request of the respondents. The interviews lasted between thirty minutes to one hour to enable participants to attend to other issues especially those conducted at the participant's office. An interview guide which contained the topic and purpose of the study, background information on the interview, how the interview was to be conducted and the interview questions, was used for the interview. The interview guide had open-ended questions only. The open-endedness allowed the participants to contribute as much detailed information as they desire and it also allows the researcher to ask probing questions as a means of follow-up (Turner 2010). In

ordering the questions, general questions were asked first followed by those that pertain to the research topic. This was done in order to generate a cordial and relaxed atmosphere between the researcher and the respondent. Therefore, conducting qualitative research interviews requires the use of various skills, such as intensive listening and note taking and also careful planning and sufficient preparation.

To collect interview data useful for research purposes, it is necessary for the researchers to develop as much expertise in relevant topic areas as possible so they can ask informed questions. Before the final interview guide was drafted, there was a need for a pilot study to be conducted with the initial one in order to test how effective the interview guide would aid in answering the research questions. Gillham (2000b) views piloting as mainly about getting the words right. Piloting is used in order to disclose the lapses in ordering and wording of the questions and also to check the level of understanding of the questions by the participants (Turner 2010). Conducting a pilot study would help the researcher to determine flaws, limitations, or other weaknesses within the interview design (Kvale 2007). The piloting is often used to determine those questions that need to be deleted or modified and the generation of new questions that would be used to answer the research questions. Two pilot tests were done with some colleagues and postgraduate students. Some lecturers in the School of Management were also used for the pilot study. The interview schedule used is presented in Appendix A.

Eight persons were chosen for the pilot test which included both genders. It was not possible for the researcher to conduct a pilot test at the study area due to

time constraints and limited funds required for obtaining a return ticket to Nigeria. Saunders et al. (2009) suggest that the structure of interview questions should be modified to at least three different ways in order to provoke an answer. During the interview sessions, the participants' consent was sought to record the interview. In situations where the participants refused, effort was made to take down notes. Individual comments during the interviews were investigated through the focus groups and vice versa. The essence of focus groups was to clarify further those issues that were raised during the interviews to have a clearer picture and better understanding. The rationale for focus groups and their use is in the next section.

3.6.3 Focus Groups

As mentioned earlier, focus groups were also used for the research. The focus group method involves an interview with several people simultaneously with different ideas and perception to explore in-depth on a specific issue or topic (Bryman and Bell 2011). Robson (2011) refers to focus groups as group interviews. Focus groups are used in research for cross-fertilization of ideas on specific themes and discussions are based on group views rather than individual views. Focus groups are usually made up of people with related experiences, and the interviews are carried out in a reasonably unstructured manner (Bryman and Bell 2011). One advantage is that focus group members influence and inspire each other by reacting to ideas and comments in the discussion. The use of focus groups in this research from a constructionist perspective enabled one to identify shared knowledge. Three focus groups

were conducted with members of the host communities. Two of the focus groups were made up of five members, while one of them was made up of six members as recommended by Krueger (1994). The discussions in focus groups were comfortable and often enjoyable for participants as they share their ideas and perceptions.

The focus groups were used as a means of bridging the gap of the interview of limitation in the number of participants. Therefore, the focus group accommodated more persons with diverse backgrounds, views and class. The researcher performed the role of a facilitator and chair of the discussions. It may be argued that focus groups may not be useful in discussing sensitive matters because some respondents may feel insecure. This is different from the individual interview where the respondent is relatively free to discuss any issues provided there is adequate security by the interviewer without fear of others around. This constraint of the focus group was accommodated through providing confidentiality for the participants. The focus groups for this research were conducted with the members of the host communities in order to have a general (group) views about oil exploration and their relationship with the multinational oil companies in the NDR as regards CSR.

The participants discussed their perception of the multinational oil companies and the way forward freely because it was a societal issue. The focus groups were therefore made up of people of similar characteristics as well as a mix. For example, the youth had a separate focus group from the women but the other

groups comprised a mixture of the older men, youth and women. Members of each focus group were identified through snowball sampling technique. The focus groups were regulated such that they lasted for more than an hour but not less than two hours to ensure that every participant had an opportunity to talk. The consent of the participants was sought to have the discussions tape recorded in order to recollect vital information.

3.7 Sampling Strategy

To effectively carry out research and conclude with recommendations that could lead to change if applied, the techniques used in selecting and collection of reliable data for reaching conclusions has to be appropriate, rigorous and logical. Purposive sampling technique was used for the study. The sample was selected to serve the purpose of the investigation rather than done randomly. Purposive sampling is the choice of a sample of participants based on the requirements of the research questions or theoretical considerations (Robson 2011) and the transferability of findings is not based on its statistical inference. Purposive sampling technique enables the researcher to select cases that best enhanced answering the research question and to meet the research objectives (Saunders et al. 2009).

Additionally, a snowballing technique was used to identify other participants through the initial respondents. In snowball sampling, the researcher identifies one or more individuals from the population who may be used as informants to identify other useful members of the population; this is another type of

purposive sample (Robson 2011). This sampling technique was particularly useful in identifying multinational oil company employees and members of the host community to participate in the interview and focus groups. The research topic concerns a societal issue that is well known amongst the host communities, and so the community members were able to identify the appropriate persons to talk to in order to achieve the research objectives.

The participants for the research were chosen from one oil company operating within the NDR and those who are major actors in oil related issues in this region. The oil company's employees were people who are directly involved in their CSR programmes and activities. Similarly, members of the host communities and members of NDDC were included in the study. Networking was also used in approaching the potential participants, and further recommendations for other participants within the MOC, NDDC and host communities were required. Some of the participants were contacted by phone and others through emails and in person which included both genders. Members were drawn from older and younger generations. This was to enable the researcher to have a broad view of what is happening in the study area from different perspectives. This is opposed to random sampling technique, where all the elements of a population have an equal chance of being included in the sample (Robson 2011) and as such aims to be representative of a population. No such claims are made in qualitative research of the type used in this study.

The oil companies carrying out oil exploration in the NDR include Shell, Exxon Mobil and Chevron. The researcher chose one multinational oil company (MOC) operating in the region for the research because literature reveals that more

research has been carried out on the other multinational oil companies compared to ExxonMobil. This research is one amongst the few that have been conducted in this field which has unravelled issues relating to CSR as it affects the company and the host communities. The researcher also discovered that ExxonMobil is the dominant company operating in Akwa Ibom state and the state is classified as a low violence area (Idemudia 2007). This is significant because the safety of the researcher, as well as that of the participant, was guaranteed in the course of the research. ExxonMobil is one of the oldest multinational oil companies in Nigeria. It is believed that choosing ExxonMobil over other MOC afforded the researcher the opportunity to confirm or refute the company's profile and commitment to CSR.

It was relatively difficult to gain access to the key respondents in the oil company identified due to the sensitive nature of oil related issues in the NDR of Nigeria. However, preliminary contacts and repeated attempts were made using existing contacts to develop new contacts. Letters were written to the prospective participants stating the purpose of the research and its possible benefits to the organisation. In some cases, e-mails were also sent as a follow-up to the letter explaining the type of access required and the kind of data the researcher intended to use. The communities selected are Eket and Mkpanak and Edo in Akwa Ibom state. This is because the MOC selected is currently carrying out oil-related activities in these communities. Members of the communities chosen to participate in the research were based on recommendations from the village council and elders and nominations by resident community members who knew those that have been actively involved

in oil-related contestations/conflicts. The different interest groups were represented in the study because each group had different perceptions and expectations of the MOC, therefore, obtaining relevant information from different perspectives was considered very important for the study.

3.8 Reliability/ Credibility

Reliability concerns the level of transparency on how sense was made from the raw data (Saunders et al. 2009). Similarly, Robson (2011) views reliability as the extent to which a research project would produce the same result if used in different cases with the same object of study (this is where a positive researcher would be talking about validity). How well research is conducted will determine how credible the findings will be. Reliability is not applicable in this type of research because the constructionists accept that different people asking the same questions will get different responses. For example assuming three different researchers asking questions in the setting of the same respondents, there is no way they would get the same responses. The emphasis here is rather on the credibility of the study. Bazeley (2013) asserts that the credibility and quality of conclusions drawn from a research depends on the clarity of purpose and questions, having appropriate design, sensitivity, openness and commitment of the researcher in conducting the study, level of critical thinking, depth thoroughness of analysis and skills in pulling together arguments for the conclusion. Similarly, Lincoln and Guba (1985) identify a close connection between credibility and dependability. They argue that in order to establish the credibility of a research, it must guarantee some level of dependability. Dependability could also be achieved through the use of multiple and

interrelated methods such as interview and focus groups. A detailed report of the research process would contribute to dependability of the research as future researchers could use the findings to replicate the work (Shenton 2004). As earlier mentioned, this study adopts multiple methods, hence ensuring dependability.

To ensure that the research is credible and rigorous, the interview guide was critically evaluated. The interview questions and focus group topics were worded in clear, simple terms in order to achieve the aims and objectives of the research and to generate relevant information. The interview questions enabled one to gain a better understanding of the background that surrounds the research objectives on the basis of genuine issues and to identify potential relationships that exist between the concepts. Most of the interviews and focus group discussions were tape recorded depending on participants' consent such that most vital information was not lost. However, there were few instances when the respondents demanded that the tape recorder is switched off for a moment and later put on as requested. At such times the researcher wrote down the key points discussed.

Qualitative research using interviews have a high propensity for bias by the researcher and so have been viewed as being unreliable and invalid (Kvale and Brinkmann 2009). This therefore requires adequate steps to ensure that the researcher remains unbiased during interview data collection, analysis and writing up. And to ensure that the research processes are thoroughly

scrutinised, and several pilot studies carried out to avoid misunderstanding; making it a good, rigorous and credible research. The assertions identified by Bazeley (2013) above was considered as well as the ethical issues from the beginning to the end of the entire research process.

However, confirmability connotes the ability of the researcher to acknowledge and admit his or her disposition in decisions regarding methods and techniques in the research report. In other to ensure confirmability, steps were taken to reasonably present the ideas and experiences of the participants in the findings rather than that of the researcher (Shenton 2004). This is to reduce researcher's biases as this is inevitable in most research because all test questions/ guide are designed by humans (Lincoln and Guba 1985).

3.9 Transferability

Qualitative studies do not seek representative sampling, and therefore the concept of generalisation is not applicable. Qualitative research is rather focused on theoretical or analytic generalisation, with the goal of developing a theory with application beyond the immediate context (Bazeley 2013). Lincoln and Guba (1985) introduced the term transferability as an alternative to generalisation, specifically to refer to case-to-case transfer of knowledge which in their view is the only genuine form of generalisation. Transferability concerns the extent to which the findings from a particular situation can be applied to other situations and other populations. The research is founded from an interpretive philosophical position using single case study which makes it likely

for the findings to be transferable. This is affirmed by Bazeley (2013) who argues that there can be value in a single case study and the meaning and knowledge generated can be transferable based on the details provided.

A contrary view is held by Gray (2009) who argues that it is not important to generalise from an interpretivist perspective, but an understanding of the real working behind reality. Similarly, Bryman (1988) states that qualitative research using a case study should be more concerned about the significance of the study to theoretical propositions and not merely for the purpose of generalisation. With the use of purposive sampling technique and the peculiarity of the data to be obtained there is an extent to which the result can be transferable. The aim of the research is not to generalise, but rather to explore and have a better understanding of what is going on between the host communities and the multinational oil companies as regards CSR in the Niger Delta region of Nigeria. On the other hand, just because a study does not produce results that are capable of generalisation does not mean that they have no relevance (Gray 2009). Others can learn from this research and consider whether similar phenomena exist in other settings or other situations. In this case, therefore, it may be said that these findings can be transferable to other regions in Nigeria. However, that would be for future research.

3.10 Data Analysis

Qualitative research is that which focuses on observation, description, Interpretation and analysis of the way people act on, experience or think about

themselves and the world around them. Analysing qualitative data is described as intense, non-linear engaging, contextualised, challenging and highly variable (Bazeley 2013). It involves close and thorough reading and coding of the data collected. The data generated through fieldwork or deskwork needs to be managed effectively and efficiently in order not to lose emerging ideas from the data and to be able to locate the evidence required to support the results of the findings. The choice of appropriate data analysis method depends on the research objectives, the purpose of investigation and the nature of the data collected. The data obtained for this study was analysed using thematic analysis.

3.10.1 Thematic Analysis

Thematic analysis as identified by Gibson in Bazeley (2013) involves working out the relationship between codes and categories and the importance of such relationships for the development of theoretical concepts and statements. Thematic analysis can be used within a constructionist methodology to examine the ways in which realities, events, meanings and experiences influence a range of discourses operating within society (Robson 2011). The interpretive researcher's choice of thematic analysis is because it can help understand the special and unique qualities of observation (Boyatzis 1998). Working from a premise of a constructionist, the researcher acknowledges multiple realities which are constructed through discourse from the context of the individual and social interaction.

The data collected through interviews and focus groups methods were first transcribed. To analyse the data, the interview transcripts were read several times from start to finish in order to understand the information before the initial coding was done on the key issues identified. Thematic analysis was used in identifying themes that described a particular phenomenon in the responses of the interviewees and categorised in relation to the themes. Robson (2011) is of the view that thematic coding analysis can be used where the codes and themes can be identified by the researcher's interaction and thorough familiarity with available data. Robson also states that thematic coding analysis can be used inductively where the themes and codes emerge from the data.

Coding is the process of identifying recurrent words, concept or themes (Gray 2009; Robson 2011). Data Labels were attached to a group of words after which the initial codes were grouped into a smaller number of themes and recoded. Major themes were identified through similar words, phrases and relationships. The themes were then merged with those that had a consistent interrelationship with others and new themes emerged. Bazeley (2013) identifies two major stages of coding, initial coding in which the researcher focuses on the data source and focus coding which is done at a later stage of the project where the researcher engages more with the codes and recoded data. The themes and codes identified through thematic coding analysis were grouped into four categories which were further clarified and interpreted using illustrative quotes for evidence. Thematic analysis was used at the initial phase to get very large data set to a manageable size before moving to a comprehensive, integrated and contextual justification of the findings.

3.11 Ethical Consideration

Mason (2002) emphasises the significance of ethical consideration in research design and the need for clarification about operating a moral research practice at every stage of the research process. He advises the researcher to be prepared to make intellectual and practical decisions, and from time to time make moral judgments on the safety of research participants. Similarly, Oppenheim (1992) stresses the importance of ethical consideration whose basic principle is that no harm should come to the respondents as a result of their participation in the research. The respondent's right to privacy and the right to refuse to answer certain questions or to be interviewed should always be respected, and no undue pressure should be brought to bear as a result of participating in the research.

Kvale and Brinkmann (2009: 62) comment that "ethical problems in interview research arise mainly because of the complexities of researching private lives and placing accounts in the public arena." From their point of view the ethical concerns at different stages of the research process to include: first, obtaining informed consent from the participants to participate in the study; securing confidentiality; and considering the possible consequences of the study on the participant. Second, the consequences of conversation and interview facts and information on participants should be noted. Third, ensuring anonymity and confidentiality and protecting interviewee identity in transcribing audio recorded information, as well as in the interpretation of statements. And finally, ensuring confidentiality in all published reports for the safety of participants and the

groups they belong. The ethical concerns as enumerated by Kvale and Brinkmann (2009) above was guaranteed and in accordance with the University of Bradford ethical requirement from the commencement of the research process, during and up to the final report (thesis). A copy of the consent form is found in Appendix B. However, participants from some host communities insisted that their names should be mentioned in the research. Similarly, most of the secondary information provided has already been made known to the public.

3.12 Time Frame

Due to the stipulated timeframe, as specified by the University and the sponsors of the research, the data collection was conducted within a period of six months. This time frame gave adequate room for booking appointments, the possibility of participants changing their minds, replacement of participants and delays that occurred during the data collection process. This time was considered to be sufficient because of the magnitude of work required in conducting interviews and composition of focus groups, and efforts were made to work within the limits and amendments made where necessary to ensure conformity to the timetable. The researcher made contacts with the proposed respondents before the commencement of the data collection process which made it easier for a more cordial disposition to participate in the study. The respondents which included; the management and employees of government, representatives from the NDDC, executives of the MOC and members of the host communities were identified early enough and efforts made to seek their consent and willingness

to participate in the study. The time frame is also closely related to the requirement by the University for the completion of a PhD thesis.

3.13 Conclusion

This chapter has described the choice of appropriate methodology, the techniques and strategies adopted for the research. From a social constructionist perspective, the research identified the adoption of an exploratory qualitative methodology. The researcher identified the use of single case study in order to obtain sufficient details and have a holistic view of what is happening in the study area. Using purposive sampling technique enabled the researcher to meet the requirements of the research questions to identify participant from the multinational oil companies, host communities and NDDC. This was complemented by the use of snowballing technique. The snowball technique was specifically used to identify participant from the host communities to take part in the focus group discussions. The researcher also identified an inductive method in the collection of primary and the use of secondary data for the research. The primary data was used to complement what is obtained from the secondary source.

The data collection was largely guided by the aims and objectives of the research. The choice of semi-structured interviews and focus groups as data collection methods enabled the researcher to have in-depth, rich and robust information about the views, ideas, opinion, experiences and perceptions of the study area. It also facilitated the collection of relevant data required for

answering the research questions. Thematic analysis was used to identify themes, codes and categories and further clarifications done through a thorough engagement with the data. The ethical considerations of safety and no harm to both the participants and the researcher have been discussed. This also includes privacy and reasonably informed consent of the participants before during and after the research process. Finally, in this chapter, the researcher discussed the time frame of the data collection being six months due to limited funds and stipulated time for the completion of the thesis. The next chapter presents detail about the Niger Delta region as well as the study sites/ areas.

CHAPTER 4

THE NIGER DELTA AREA IN NIGERIA: ISSUES AND STUDY SITES

4.0 Introduction

This chapter provides background context for the thesis. It discusses the geographical location of the Niger Delta region (NDR) of Nigeria which is the focal point of the study. Similarly, a critical evaluation of the crisis in the NDR and the long-term effect of the crisis on the Nigerian economy as a whole and the people of the NDR, in particular, will be discussed. The different dimensions of the crisis will also be discussed. This chapter also addresses the criteria for the selection of the study area which is Akwa Ibom state. This section briefly describes the principal study area based on the location, population and settlement patterns. It also explains the traditional institutions in the state as well as the socio-economic features. The choice of the MOC is closely related to the choice of the state. Furthermore, the selected communities of Mkpanak, Edo and Eket are discussed with regards to their location within the state and its relevance to the study.

4.1 The Niger Delta Region of Nigeria

Having established how it has been argued that CSR should be applied, it is pertinent to move to the context and setting for this study – the Niger Delta region. Historically, the Niger Delta refers to the area covering the natural delta

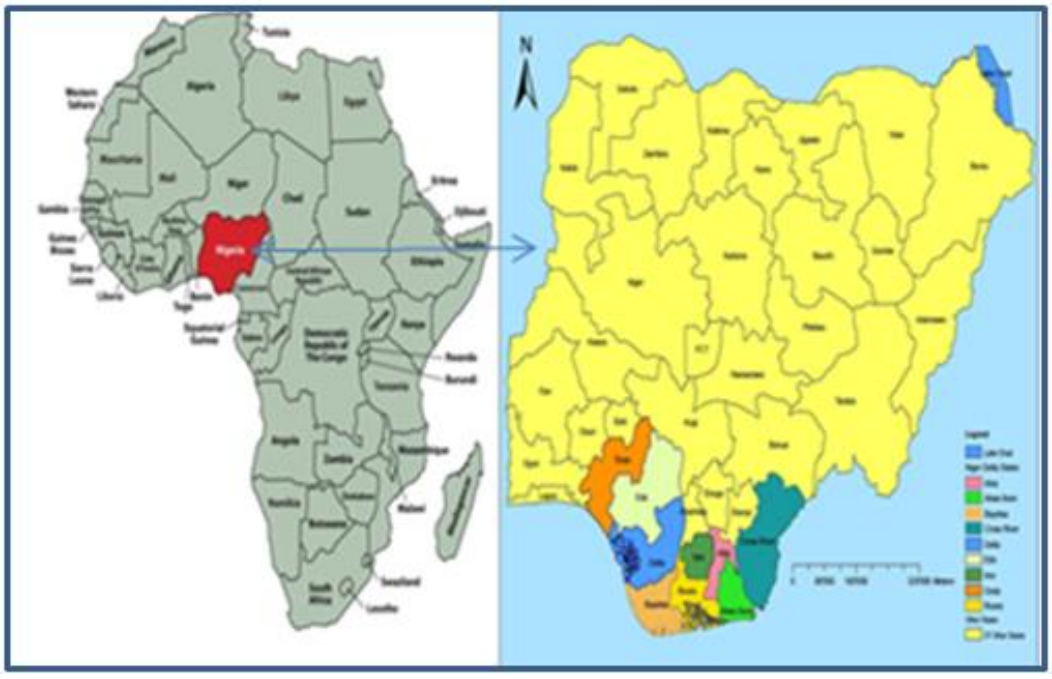
of the Niger River, delineated by two main tributaries, the Nun River and a web of creeks on the east and the Forcados River and adjoining creeks on the west The natural Delta covers 25,900 square kilometres (UNDP, 2006). In the 1990s, the Nigerian government expanded the boundaries of the NDR to include nine oil-producing states. Based on the expanded definition of oil producing states, the NDR begins in the south-eastern states of Nigeria and stretch across the coastal regions to the south-west, covering 75,000 square (UNDP,2006).

The area which is described as the NDR lies between latitudes 40 and 60 north of the equator and 40 and 80 east of the Greenwich meridian. It comprises the states of Akwa Ibom, Cross River, Edo, Imo, Rivers, Bayelsa, Delta, Abia and Ondo, comprising all of Nigeria's oil producing states (Afinotan and Ojakorotu 2009). The people of this region are the Ijaws, Itsekiri, Urhobos, Efiks, Ibibios and other smaller ethnic groups. The region is home to about 20 minority ethnic groups and an estimated 28 million people. Most of the inhabitants live in small settlements of less than 5,000 people (Ikelegbe 2005b; UNDP 2006). The region derived the name Niger Delta from being situated at the mouth of the river Niger, which could be traced back to early 15th century. It embraces one of the world's largest wetlands, over 60% of Africa's largest mangrove forests and one of the worlds' most extensive wetlands (Eyinla and Ukpo 2006). The main occupation of the inhabitants are fishing, hunting and subsistence farming (Alagoa and Tamuno 1989).

Oil was discovered in Nigeria in 1956. Nigeria produces approximately 2.3 million barrels of crude oil a day and has estimated oil reserves of 22.5 billion

barrels mostly found in small fields in the coastal area of the NDR (Ajibade and Awomuti 2009). Nigeria is the largest oil producer in Africa and the eleventh largest producer in the World, the petroleum sector is the main-stay of Nigerian economy (Evuleocha 2005). The NDR produces 80% of Nigeria's foreign exchange earnings and up to 70% of total national income (UNDP 2006). Before the creation of the Nigerian state, economic activities of the NDR in pre-colonial days entailed mainly export of salt and fish to its hinterlands. Most of these socio-economic activities have been neglected due to the discovery of oil and over the years. Concomitantly, the NDR has moved from a relatively peaceful area to a region prone to persistent violence and crisis (Idemudia and Ite 2006b). The Niger Delta region is shown in Fig 4.1.

Figure 4.1 The Niger Delta region of Nigeria



Source: http://pubs.sciepub.com/env/1/4/2/figure/1

Figure 4.1 shows the location of Nigeria in Africa and the location of the Niger Delta region. Nine of Nigeria's thirty-six states constitute the Niger Delta region

as reflected by the different colours. The area is approximately one-sixth of the total landmass of the country. This region is very important in the Nigerian economy due to the presence of crude oil, therefore, persistent conflicts/crisis in this region has negatively impacted on the economic situation of the country as a whole and the people of this region in particular.

4.2 The Niger Delta Crisis

The NDR plays a significant role in the Nigerian economy because of the presence of crude oil which is the main source of the country's foreign exchange earnings and federal revenue (Evuleocha 2005). Instability in the region has severely disrupted the expansion of crude oil production and invariably revenue generation. Projected annual revenue to the Nigerian government has declined due to the Niger Delta crisis (UNDP, 2006) which has persisted since 1990. It is evident that if the communities are not in conflict with the multinational oil companies over land rights or compensation for environmental damage, they are in dispute with the government over access to oil wealth and resource control. And in other cases, they are in conflict with one another over claim to ownership of area where oil facilities and accompanying benefits are situated (Idemudia and Ite 2006b). Thus there are at least three areas of disagreements and conflicts; between communities and the oil companies; communities vs. government and; communities vs. communities. The focus of this study is on the often fractious relationships between the communities, the oil companies and the government. This is because the communities' dissatisfaction in the programmes and activities of the

multinational oil companies is directly linked to the government which is the regulatory body for the oil companies.

Ukeje (2004) and the UNDP (2006) noted that the Niger Delta crisis appears to be deeply rooted in years of neglect and social, economic, and political marginalisation. Before independence, the British colonial administration recommended special treatment for the Niger Delta in the Willink's Report of 1958, in recognition of the special developmental needs of the region (Ukeje 2001; Ite 2004). Political and economic analysts have argued that successive administrations seem to have neglected the region (Ross 2001a; Ikelegbe 2005b; UNDP 2006). Due to years of deprivation, the NDR has been described as one of the most underdeveloped regions in the world (Ikelegbe 2005a). This view is supported by Eweje (2007) who says that Instability and lack of law and order in the NDR are mainly due to lack of basic infrastructure which directly contributes largely to sabotage and kidnapping of oil and oil related companies' personnel. There is also tension over unemployment of the young people (between 18-40 years) and for a reduction in environmental damage to their farmlands which directly affect their livelihood and economic development.

Afinotan and Ojakorotu (2009) view the Niger Delta crisis from three perspectives; the struggle for self-determination, the political dimension and the genuine struggle for the actualization of a truly developed NDR, free from poverty, degradation, unemployment, environmental pollution, economic and socio-political alienation, disease and squalor. In the same vein, Idemudia and

Ite (2006b) attribute the presence of conflict in this region to be both the root cause and the trigger cause; the root cause being political and economic issues and the trigger cause being environmental and social issues. These views suggest that the discovery of oil in this region is not only seen as a blessing to the Nigerian nation but also seen as a curse to the people of the NDR. Blessings in the oil wealth generated for the nation and curse regarding lack of peace- in other words, a mixed blessing. It is therefore pertinent to understand whether the oil companies are doing anything to resolve these issues. There are several dimensions to the Niger Delta crisis which are classified into environmental, socio-economic and political dimensions in this study. These dimensions are not mutually exclusive as each may be related to the others. For example, factors that may be considered as socio-economic may equally have environmental or political connotation. Some environmental factors could also result in social or economic issues and could have some political undertones.

4.2.1 Environmental Dimension of the Niger Delta Crisis

For any organisation to succeed in its CSR, the environmental factors must be fully considered (Elkington 1998). This is what Elkington refers to as responsibility to the planet. Gibson (2012) even considers the environment as a stakeholder. This seems to be far from what is seen in the NDR. Petroleum activities have brought numerous devastating environmental incidents that have upset the ecological balance, stunted the communal food chain and also impeded the generational future of the NDR (Okpo and Eze 2012). Oil prospecting activities are associated with the destruction of vegetation,

farmlands and human settlements (Afinotan and Ojakorotu 2009). Environmental hazards associated with this activity include the destruction of fish and other aquatic animals, water pollution, destruction of farmlands and the ecosystem amongst others. Afinotan and Ojakorotu (2009) also state that oil drilling operations pollute the underground water by toxic waste materials being discharged from major production terminals together with other contaminants like sludge tanks, oil debris, gaseous pollutants and sanitary wastes. More of these toxic wastes are released during the process of refining and discharged into the environment. The issue of sustainability is yet to be appropriately addressed in this region.

One of the major environmental issues is oil spillage. Research has shown that the pollution caused by spillage does not end with the mopping up of the spilled oil, it also results in extending toxic substances to the fish in the rivers which in turn are ingested by humans that eat them (Ajibade and Awomuti 2009). This is why Okpo and Eze (2012) argue that the most recurrent issue of petroleum activities is spillage. Unfortunately, the NDR has one of the worst cases of spillage. Afinotan and Ojakorotu (2009) estimate that in 40 years of oil exploration and production in Nigeria, over 60,000 spills have been recorded, and over 2,000,000 barrels were discharged into the region eco-system from oil spillages between the years 1976-1996. In 1997 and 1998, Shell Petroleum Development Company (SPDC) spilled 106,000 barrels from its installations at Jones Creek alone. In January 1998, Mobil recorded its worst spillage at the Idoho offshore site which spread within 30 days from Akwa Ibom to Lagos. Within the first three months of 2008, Nigeria recorded 418 cases of oil spills.

Aghalino (2009) confirms that environmental pollution caused mainly by oil spillage and indiscriminate disposal of oil industry waste are often found in this region. He also states that the World Bank estimates the oil spill in this region to be over 2,300m^3 of oil in 300 major accidents yearly. This is quite alarming considering the fact that the issue of oil spillage is scarcely mentioned in the developed countries in recent times.

Similarly, gas flaring has been cited as the most formidable challenge confronting the people in the NDR (Idemudia and Ite 2006b). Gas Flaring is the process of burning-off the gas that is mixed with crude oil (popularly called associated gas) during the extraction of crude. This occurs because it is costly to separate commercially viable associated gas from the oil. Some oil companies burn the gas directly from pits while others construct flare stacks. The flares often contain as many as 250 toxins, and they release particulate matter, typically sulphur dioxide, nitrogen oxides, carbon dioxide, formaldehyde, radon, lead, ammonia, and methane. Other substances include carcinogenic and unburned fuel components, including benzene, toluene, xylene, and hydrogen sulphide (Association 2004). These emissions often change into sulphates and nitrates under the influence of sunlight and moisture and get converted into sulphuric acid and nitric acid. Gas flaring could result in acid rain. Gas flaring and acid rain have severe negative impacts ranging from pollution and degradation of the air, water, and land to destroying the flora and fauna that inhabit these biomes. Studies have shown that gas flaring can cause cancer and blood-related disorders such as leukaemia among human populations (Ekpoh and Obia 2010).

Exposure to flare smoke can also lead to severe asthmatic conditions, respiratory malfunctionings such as coughing and wheezing, difficult breathing, chronic bronchitis, reduced lung function, body itching, blindness, impotence, miscarriages, and premature death (Palmer 2009). The effect of gas flaring on the health of the people of the NDR cannot be quantified. In a location where gas is flared for example in Oghara and Egbede both in Delta State, the surrounding people suffer immeasurable hardship resulting from intense heat, strange diseases and respiratory problems (Ejumudo et al. 2012). The adverse effect of constant oil spillage and gas flaring is hard to imagine. It has both short and long term effects. Farmers and fishermen whose livelihood depended on these occupations are forced to turn to other occupations as a result of degradation of their land (Ikporukpo, 1978 in Ajibade and Awomuti (2009). This has resulted in severe frustration for most of the inhabitants of this region.

Nigeria is the world leader in gas flaring; the gas-related pollution generated in the NDR alone is greater than that produced by all the households in Great Britain (Okpo and Eze 2012). Okpo and Eze also state that Up to 76 percent of gas is flared in Nigeria compared to 0.6 in the USA and 4.3 in the United Kingdom. Gas flaring is also associated with atmospheric and thermal pollution and the depletion of vegetation and wild life (Afinotan and Ojakorotu 2009). Okpo and Eze (2012) posit that all phase of petroleum exploration and production produce environmental effects of grave consequences. However, research done by Ejumudo et al. (2012) also revealed that 98 per cent of their respondents believe that poverty and violent acts by the youth will be drastically reduced if oil companies' CSR is geared towards addressing the environmental problems that have been the cause of poverty, disease, and conflicts in the

region. These environmental issues have resulted in poverty and unemployment and are therefore seen as one of the major factors responsible for the consistent crisis in this region as no alternative source of livelihood is provided. Environmental degradation through oil spillage and gas flaring is at variance with the sustainability concerns of CSR.

4.2.2 Socio-Economic Dimension of the Niger Delta Crisis

The socio-economic factors in this study will be limited to poverty and unemployment which are interrelated. Unemployment is seen as both a social issue and an economic issue which can lead to poverty. Before the advent of commercial oil production in the NDR in 1956, the region was essentially a pristine environment which supported substantial subsistence resources for its populations. These included among other things, medicinal herbs and barks, fish and shrimp, crabs and clams, wood for energy and shelter, as well as a stable soil for farming and habitat for different wildlife. The region also accounted for a large percentage of Nigeria's commercial fisheries industry (Afinotan and Ojakorotu 2009). Commercial oil exploration turned Nigeria's economy into a mono-commodity upon which the state heavily depends on (Idemudia and Ite 2006b).

Okpo and Eze (2012) attribute the sabotage of oil pipelines by the people of the NDR as a manifestation of poverty, frustration and lack of job opportunities, which has resulted in various fire incidences that have claimed many lives like the cases of Jesse in 1998, Ovirri in 2000 and others. Despite its vast

resources, the Niger Delta region remains poor and underdeveloped with its GNP per capita and the educational level below national average, and 70 percent of its people living below the poverty line (Eweje 2007). Poverty has become endemic in the Niger Delta (Okpo and Eze 2012). This can be argued in the sense that the issue of poverty is not peculiar to the people of the Niger Delta alone but Nigeria as a whole, though it is expected that their standard of living should be better than that of other parts of the country being an oil-rich region.

Closely related to poverty is unemployment which has contributed to exacerbating conflict in this region (Idemudia and Ite 2006b). Unemployment is a state of lack of job or sustainable means of livelihood. When people are not gainfully employed, they tend to be involved in vices of different kinds due to idleness. Ibeanu (2002) asserts that youth unemployment in the Niger Delta is the highest in the country. This has resulted in a large population of youth roaming the streets feeling excluded, deprived and powerless and waiting for the slightest opportunity to react (Jike 2004). Idemudia and Ite argue that "Unemployment has made youth activism, militancy and rebelliousness a common phenome non in the NDR" (Idemudia and Ite 2006b: :401). They further state that these jobless youths are in turn used by the politicians in pursuing their selfish interest and causing clashes between different groups.

The problem of massive youth unemployment is argued by Idemudia (2009) as being attributable to the lack of technical skills in the host communities due to

the poor level of education. This therefore means that there are job opportunities, but the youth is unemployable and so the jobs are given to people from other areas that are better qualified. This seems to be correct and can further be argued on the basis that education in Nigeria is relatively not free, and so those local young persons may not have been educated because their parents could not afford to do so due to poverty. The fact remains that lack of sustainable means of livelihood has resulted in a lack of education, which has consequently heightened the level of unemployment and in turn aggravated poverty. Therefore, there seems to be a relationship between environmental issues, poverty and unemployment.

4.2.3 Political Dimension of the Niger Delta Crisis

The political factors in the Niger Delta conflict are linked to the interplay of ethnicity, statehood formation, corruption and the contradiction inherent in oil exploitation (Idemudia and Ite 2006b). From the political angle, the Niger Delta people have suffered undue political manipulation, intimidation, degradation, victimisation, oppression, neglect and injustice by the federal government without regard to their contribution to the Nigerian state (Ajibade and Awomuti 2009). The ethnic groups in the NDR are small compared to the Ibo and the Yoruba ethnic groups. The majority ethnic groups like the Hausa-Fulani, Yoruba and Ibo, have therefore dominated the political power and are in control over oil resources in the country, which is found only in the NDR. Orogun (2010) affirms that the people in the region have experienced administrative neglect at the federal government level and have lived without basic social amenities.

Stakeholders in the NDR have noted that all interest groups in this region are faced with the challenge of how to use the wealth generated from its vast oil and gas resources to develop the region and create better living conditions for its inhabitants to thrive (UNDP, 2006). Orogun (2010) also argues that the indigenes of the oil-rich region maintain that they have been marginalised, economically and politically and subjected to neglect, plagued by environmental degradation and brutal military occupation of their homeland as a result of perceived collusion and complicity between the Nigerian Government and the multinational oil corporations.

The revenue sharing and allocation of oil proceeds are also politically sensitive issues in Nigeria. As is the case with other oil-producing countries, the exploitation of oil in Nigeria is carried out within the guidelines of legislation. The most important oil-related legislation in Nigeria includes: the Petroleum Act 1969, Oil Pipelines Act 1956, Oil in Navigable Waters Act 1968, Federal Environmental Protection Agency Act 1988, and the Land Use Act 1978. Through the Petroleum Act (continuing a colonial policy) the entire property in petroleum (mineral oils) is vested in the state. The result is that the government of the Federal Republic of Nigeria has absolute right and control over oil resources in the country (Ajibade and Awomuti 2009). Therefore, whatever is allocated to any area happens at the discretion of the Federal government. The principle of allocation of revenue to the states where oil is produced has undergone several revisions from 50 per cent to 20 per cent, 0 per cent, 2 per cent, 1.5 per cent and 13 per cent in 1975, 1979, 1982, 1984, 1992 and 2001

respectively. Clearly, this has also contributed to the feeling of deprivation of the people of the NDR (Idemudia and Ite 2006b).

It can therefore be argued that the Niger Delta crisis is deeply rooted in political issues that have existed for a very long time. The oil companies are seen to have direct links with the government. For example, Shell is believed to enjoy strong political power and contacts with the government which is perceived to adversely affect its commitment to CSR (Ako 2012). Multinational oil companies operating in this region, therefore, have an important role to play in negotiating with the government on better revenue allocation for the people of the NDR in order to create a favourable environment for its operations. It can also be argued that the feeling of deprivation by the host communities of what rightly belongs to them in terms of the proceeds from oil exploitations coupled with other factors as earlier mentioned has aggravated the crisis.

On the strength of the above, the federal government made several attempts to solve the problem of the Niger Delta by the Development Board in 1962, the Niger Delta River/Basin Development Authority in the 1980s, the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992 and the Niger Delta Development Commission (NDDC) in 2000. In this regard, the aim of NDDC is to complement the efforts of the various governments at all levels; local, state and federal by paying particular attention to the strategic development objectives of this region. The next section discusses the study sites.

The Study Area: Akwa Ibom State

4.3 Selection Criteria of Study Area and MOC

As discussed in section 4.1, the Niger Delta comprises nine states with a land mass of over 75,000 square kilometres (see Fig 4.1 and section 4.1) which make it practically impossible for this research to cover the entire region due to time and cost constraints. The selection was therefore restricted to include only the major oil producing states. This was to enable the researcher to focus only on those communities where oil exploitation was currently taking place which led to Delta, Bayelsa, Rivers and Akwa Ibom states (AKS) being subject to consideration. Having selected four out of the nine states, the other criteria used in selection were site of operation and level of violence. The site of oil production is considered to be relevant to this study because it determines the extent to which protest from the host community can affect oil production (Idemudia 2007). The communities where oil is exploited close to their farm lands (on- shore) are more prone to direct effects of the negative impact of oil extractive processes on the locals than those where exploitation is carried out off-shore. However, this does not prevent environmental impact due to oil exploitation; onshore and offshore oil productions do cause major environmental damage to the host communities.

The levels of violence are closely related to the site of production and proximity of the communities to the production facilities of the MOCs. Issues like the destruction of oil pipelines and crude oil theft can only be possible when such facilities are close to the communities which often triggers conflicts between the local communities and the oil companies (Okpo and Eze 2012). Idemudia

(2014a) also asserts that the difference in the level of violence experienced is directly dependent on the type of host communities. He therefore identified three groups of host communities; producing communities, terminal communities and transit communities. Referring to those where oil exploitation is carried out on-shore, those where territory ports are located and those who merely have transit pipelines through their communities respectively. It is important to acknowledge these differences in the Niger delta states (Idemudia 2014b). Though there are other factors responsible for violence in this region as discussed in section 2.3, the immediate cause of violence is often due to agitations from the locals in response to negative environmental impacts of oil exploitation, and this is mostly done by communities that are closer to the operation site of the MOCs. Based on these criteria, AKS was selected. Though there are reasonable and repeated cases of violence in this state, this cannot be compared to the situation in Rivers and Delta state where it would have been difficult if not impossible to carry out research in such states (see table 3.1). The level of violence was also considered significant to the study because the safety of the researcher was essential for the success of the research.

Table 4.1 Selection criteria for study area and MOC

Major oil producing states	Ethnicity	Population in 1998	violence	Percentage of oil production	Oil production location	Dominant oil TNC	Major youth/ethnic movement/groups
Akwa Ibom	Heterogeneous	2.930	Low	20%	Offshore	Exxon Mobil	Afigh Iwaad Ekid
Bayelsa	Homogeneous	2.6195	High	24%*	Off/onshore	Shell	Ebgesu boys/Ijaw Youth Council, MEND
Delta	Heterogeneous	3.149	High	27%*	Off/onshore	Shell/Chevron	IYC, Itsekiri Youth council, Urhobo Economic foundation, MEND
Rivers	Heterogeneous	2.6195	High	24%*	Off/onshore	Shell	MOSOP and MEND
Ondo	Heterogeneous	2.301	Medium	5%	Off/onshore	Chevron	OPC

Source: Idemudia (2014 p. 156)

Having selected a major oil producing state in the region, whose production sites are off–shore and classified as a low violence state, the next issue was the choice of a multinational oil company operating in the state. In the selection of the appropriate MOC for the studies, consideration was given to the number of years of operation. As can be observed from Table 3.1, all the MOCs operate off –shore, but ExxonMobil is the oldest on the list which has operated in Nigeria for over five decades. This made ExxonMobil a preferred choice (see table 4.2). The significance of this choice is that their length of operation would give more insights into their experience with the host communities as regards their oil extractive activities. However, this does not mean that the number of years spent in a place is directly linked with the CSR activities as some companies could have more positive impact on the locals than others irrespective of the number of years spent in such locations.

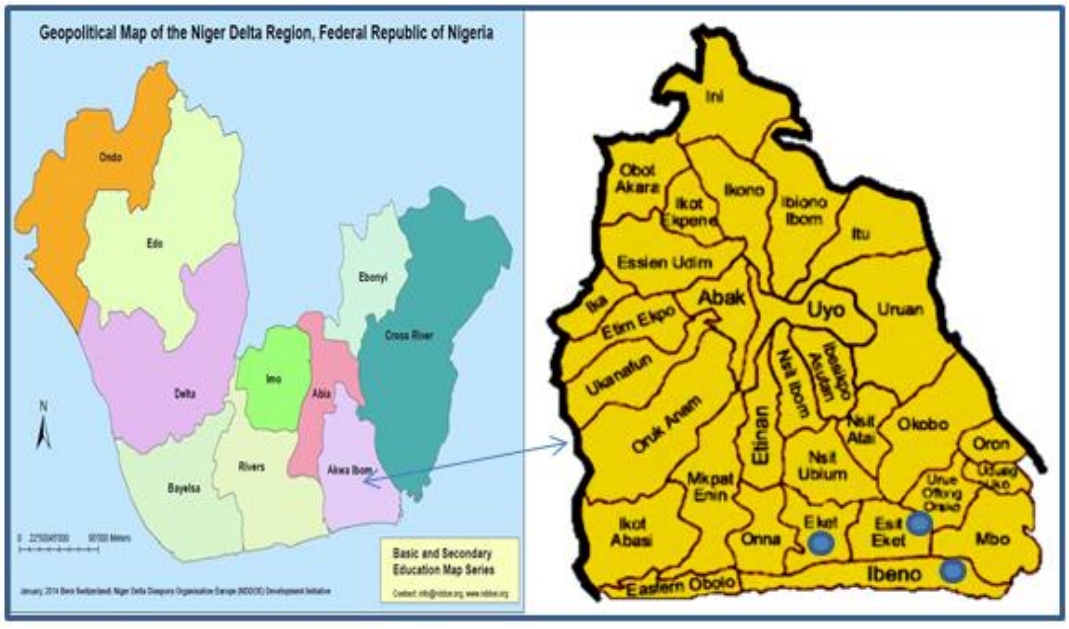
Table 4.2 Multinational Oil Companies Operating in Akwa Ibom State

Multinational Oil Company	**Commenced operation in Nigeria**	**Origin of MOC**	**Exploration site**	**Local Government Area of operation**
Exxon Mobil	1955	American	Off-shore	Eket, Esit Eket, Ibeno and Onna
Total PLC	1992	French	Of-fshore	Ikot Abasi, Eastern Obolo
Addax	1998	Chinese	Off-shore	Mbo,Oron,Udungu Uko

Source: Compiled by the researcher

The choice of the MOC inescapably affects the choice of the communities where such MOC operates. The communities selected for the study are in Eket, Esit Eket and Ibeno local government areas. They are therefore; Mkpanak in Ibeno LGA, Edo in Esit Eket LGA and Eket in Eket LGA. The selected communities are located in the coastal region of the state. These communities were selected based on their proximity to the MOC and their constant interactions with them. For example, Mkpanak community is located directly facing the administrative office of the MOC only separated by a road at the Qua Ibo terminal. The next section will consider AKS and its inhabitants. The map of the study area and LGAs is seen in figure 4.1

Figure 4.2 Map of Akwa Ibom State indicating location of study area



Source: http://www.nairaland.com/1858615/creation-oil-river-state-akwa-ibom

Fig 4.2 is the combined maps of the Niger Delta region indicating Akwa Ibom state as well as the location of the local government areas where the study was undertaken.

4.3.1 Akwa Ibom State in the Niger Delta

Akwa Ibom State was created on September 23, 1987, by the then Federal Military Government under General Ibrahim Babangida, out of the then Cross River State. The state was created by combining the Uyo, Ikot Ekpene, Eket and Abak divisions of old Calabar province. There are 31 Local government areas (LGA) in the state which include; Abak, Eastern Obolo, Eket, Esit Eket, Essien Udim, Etim Ekpo, Etinan, Ibeno, Ibesikpo Asutan, Ibiono Ibom, Ika, Ikono, Ikot Abasi, Ikot Ekpene, Ini, Itu, Mbo, Mkpat Enin, Nsit Atai, Nsit Ibom, Nsit Ubium, Obot Akara, Okobo, Onna, Oron, Oruk Anam, Udung Uko, Ukanafun, Uruan, Urue-Offong/Oruko, Uyo. Uyo is its capital city. It has an area of 8,421sq.km. The state is located in the south-east of the country, lying between latitudes 4°321 and 5°331 North, and longitudes 7°251 and 8°251 East. The State is bordered on the east by Cross River State, on the west by Rivers State and Abia State, and on the South by the Atlantic Ocean. The major languages are Ibibio, Annang, Oron, Eket and Ibeno. The languages spoken in the state are closely related, and the Annang and Ibibio languages are mostly identical with a few dialectical differences.

The inhabitants of the state are Ibibio, Annang, Ibeno and Eket. The Ibibio are the largest group, while the Annang forms the second largest group. Ibeno and Eket speak a similar language and are located at the ocean. The Ibibio language belongs to the Benue-Congo language family, which forms part of the Niger-Congo group of languages. The Eket and Ibeno languages are more closely related to each other than to the other two and are only partially

understandable by speakers of the other two languages. The study communities in Eket, Esit Eket, Ibeno and Onna LGAs comprise the Eket ethnic group. AKS is made up of a homogeneous group of people believed to have originated from a single ancestral stock. It is predominantly a civil service state. AKS is currently the largest oil producing state in Nigeria after displacing Rivers state from this position. Most of the oil fields are located offshore Ibeno. In AKS, communities like Ikot-Ada Udo, Ikot Ebidang, Ibeno, Eket, EsitEket in Ikot Abasi, Onna, Ibeno, EsitEket and Eket LGAs respectively, as well as the communities along the coastal oil belts of Eastern Obolo LGA and the Bonga off shore oil wells of Mbo LGA, are experiencing environmental challenges arising from oil-related activities (Akpan 2014).

4.3.2 Traditional Institutions

The highest legislative body of the village is the village council which is made up of various lineage heads. The village council is headed by the village head and they make laws covering all aspects of life of the people including laws meant for protection of lives and properties, burials of the dead, treatment of twins and their mothers and for protection of visitors and strangers (the legislation regarding twins is important because of the practice of killing of twins in some parts of the state in the late 19th centuries). Women also play a prominent role in the traditional life of the people. They exercise huge political, social and economic influence in the affairs of the village. A women's organisation known as 'Iban Isong' made up of 'daughters of the land' mostly comprising of indigenes of the village, are in the forefront in matters concerning winning political and social rights. Another important group is the age group or age sets

called “Nka”. The age set (of approximately five years apart) act as an institution that ensures orderliness in the society. In times of war, they provide the army to defend their settlement. They also take part in building and maintenance of access roads, policing of the town and other communal work. The age sets perform an important role in the governance of the village and assumes so many powers that without them the government may not be successful.

Before the coming of the missionaries, the people were traditionalists. They believed in the existence of a supreme being whom they call ‘Abasi Ibom’ who was seen as the creator and preserver of all things. Prayers were said through the pouring of libation. A major concern of the family was to see that the dead is given a befitting burial. The inappropriate and negligent conduct was detested because the people believed that such might arouse the anger of the departed ancestors and so cause illness. The arrival of the missionaries had turned most of the people to the Christian faith though some native African religions are practised by some of the people who still believe in their traditional deity. Their belief in ancestral powers and their traditional institutions influence their relationship with each other in the community as well as issues of land ownership. The land is seen as the greatest asset of any family which is often handed over to the children and grandchildren of such families.

4.3.3 Socio-economic Features

According to the 1991 census, the provisional population figures of the State stood at a total population of 2,359,736 with the female population more than

the male. Over 80 percent of the people live in rural areas, and the concentration of the people in some districts is very high. For example Etinan, Eket and parts of Ikot Ekpene, Onna and Essien Udim LGAs, have very high population densities of over 400 persons per SQ. km. These areas are classified amongst the most densely populated areas in Nigeria. Most of the settlements are villages of various sizes ranging from hamlets to expanded villages, all of which lack the basic traits of an urban place. There are only nine settlements in the State which are developing urban features. These are Abak, Eket, Uyo, Etinan, Ikot Abasi, Ikot Ekpene, ltu, Oron and Ukanafun. Recently, settlements with semi-urban qualities are springing up in the headquarters of the new LGAs and also at prominent areas along the road network. Such settlements with a population of between 3,000 and 5,000 people have a more masculine commercial base, sometimes including wholesale trade. The urban areas are therefore the co-ordinating centres for all rural socio-economic development, to which the smaller settlements are linked in the first instance.

Like other states in the Niger Delta region, those who live in the riverine areas are mainly farmers and fishermen. Other traditional occupations of the people of the state are raffia and hand crafts, commerce and petty trading, timber logging and palm oil production (Akpan 2014). Fish is a major source of protein for families as well as a source of income. Farming in AKS takes two forms; subsistence farming and commercial farming. Most subsistence farming caters for staple food production for family consumption, although the excess foods are sold in the market for living expenses. On the other hand, commercial farming may take the form of a plantation. The food crops produced are

cassava, yam, rice, maize and cocoyam while the cash produced in the state include palm oil, cocoa, rubber, raffia palm, coconut, and kola nuts. The discovery of oil and oil exploitation activities in the study area has transformed it into a centre of oil and gas business. However, this success has had some negative effects, especially a reluctance by local young men to engage in traditional work such as fishing.

4.4 Conclusion

This chapter has provided a contextual background of the study area which is the Niger Delta region of Nigeria. An attempt has been made to trace the origin of the Niger Delta crisis and the different dimensions of the crisis which is the focus of the study. The chapter identifies the environmental, socio-economic and political dimensions of the crisis. Furthermore, findings from the literature indicate that there is an unhealthy relationship in the NDR between the host communities and the multinational oil companies which are attributed to environmental, political and socio-economic factors. This is due to the feeling of deprivation and dissatisfaction over oil extraction activities. Also, it is discovered that the crisis in the NDR can be associated with failed expectations of the host communities from the multinational oil companies.

The study area which is one out of the nine states in the Niger Delta (Akwa Ibom state) along with the criteria for selection has been discussed. This chapter has specifically identified three communities which are, Eket, Esit-Eket and Edo communities for the study sites as well as the traditional institutions

and socio economic lives of the communities. The next chapter presents an analysis of data obtained from the host communities as well as the MOC during field work.

CHAPTER 5

UNDERSTANDING COMMUNITIES' AND OIL COMPANIES' PERCEPTION AND EXPECTATIONS: IMPLICATION FOR CORPORATE-COMMUNITY RELATIONS

5.0 Introduction

This chapter presents an analysis of the relationship between Multinational Oil Companies (MOC) and their host communities in the Niger Delta region of Nigeria with regard to Corporate Social Responsibility (CSR). The analysis is divided into four sections to explore the viewpoints and the themes identified from the data collected from three groups of participants. Section 5.1 considers the analysis of data from the host communities. Section 5.2 is data analysis from the multinational oil company which is data obtained from managers and office workers. The findings in this chapter cover both data obtained from the individual and the focus group interviews.

As discussed in Chapter 3, the study employed two major overlapping methods of data collection; semi-structured interviews and focus groups. Face to face interviews were conducted with members of the host communities, employees of a multinational oil company (MOC) and staff of NDDC. The study focused on these three host communities as they were directly affected by the activities of the multinational oil company operating in that region. A total of 28 semi-structured interviews were conducted. With a total of 21 participants from the three host communities (Mkpanak, Eket and Edo communities), three interviews

with employees of a multinational oil company and four with a staff of NDDC. Three focus groups discussions were organised, two of the focus groups had five participants each while one of the focus groups had six participants. The participants of all the focus groups were members of the host communities. They were carefully selected to provide a mix in terms of gender and age. The interviews were conducted from mid-June to October 2014.

Identification and recruitment of appropriate participants was not an easy task because of the nature of the research which requires purposive sampling. The researcher needed the right people to talk to especially those that were involved (directly or indirectly) in oil related issues in the region. Several attempts were made to contact some identified key people through emails and telephone calls as well as visits to the area of research which takes about 3-5 hours' drive (depending on traffic) due to a bad road. After conducting interviews on a particular trip, the researcher recalls that it took more than 6 hours to return to her destination due to serious traffic on the road. Most of the participants from the host communities were identified through a snowballing technique and contacts made. In situations where the contacts failed, efforts were made to get other suitable persons.

At least a dozen trips were made to the study area because the study involves three host communities, the participants lived in different towns, and some appointments had to be cancelled and another date fixed for some of the interviews. In some cases, the researcher had to wait many hours for the participants to turn up for an agreed meeting. Attempts were made to conduct more than one interview per day to reduce the cost of travelling, but some of the

participants were not available on such dates which required more visits to the area. In line with the plan to speak with a variety of local inhabitants, the researcher was able to recruit elderly men, women, youth and youth leaders to participate in the research. The participants were selected based on their position in the community and/or their direct involvement in dealing with the MOC on behalf of their communities. Table 5.1 shows a summary of the demographic information of the participants for semi-structured interviews with representatives of the host communities.

Table 5.1 Participants from host communities

S/N	COMMUNITY	GENDER	AGE RANGE	EDUCATIONAL QUALIFICATION	OCCUPATION	NATIONALITY
1.	Mkpanak (PA)	Male	6o+	Master's degree	Lawyer	Nigerian
2.	Mkpanak (KA)	Male	30-39	Bachelor degree	Employed	Nigerian
3.	Mkpanak (JE)	Female	30-39	Bachelor degree	Self employed	Nigerian
4.	Mkpanak (EB)	Male	40-49	Secondary school	Unemployed	Nigerian
5.	Mkpanak (MM)	Male	50-59	Secondary school	Fisherman	Nigerian
6.	Mkpanak (FF)	Female	50-59	Secondary school	Trader	Nigerian
7.	Mkpanak (GA)	Female	60+	Bachelor degree	Self employed	Nigerian
8.	Mkpanak (ED)	Male	20-29	Bachelor degree	Unemployed	Nigerian
9.	Eket (PE)	Male	50-59	Doctoral degree	Public servant	Nigerian
10	Eket (SE)	Male	30-39	Bachelor degree	Youth activist	Nigerian
11.	Eket (FG)	Female	40-49	Bachelor degree	Unemployed	Nigerian
12.	Eket (GO)	Female	20-29	Undergraduate	Student	Nigerian
13.	Eket (RX)	Male	20-29	Undergraduate	Student	Nigerian
14.	Eket (UJ)	Male	30-39	Bachelor degree	Unemployed	Nigerian
15.	Eket (KO)	Female	20-29	Undergraduate	Student	Nigerian
16.	Edo (HU)	Male	40-49	Master's degree	Public servant	Nigerian
17.	Edo (MA)	Female	50-59	Secondary school	Trader	Nigerian
18.	Edo (UD)	Female	30-39	Bachelor degree	Unemployed	Nigerian
19.	Edo (DA)	Male	40-49	Certificate of Education	Teaching	Nigerian
20.	Edo (BU)	Male	30-39	Teacher's certificate	Teaching	Nigerian
21.	Edo (MN)	Male	30-39	Bachelor degree	Civil servant	Nigerian

Source: Fieldwork 2014

The researcher intended to conduct three focus groups made up of people of similar characteristics, for example; one for the youth, another for the women and a separate one for the older men. This was to enhance the freedom of participant to express their views without being daunted by another class of people if put together (see methodology in chapter 3). This was not possible in practice because the researcher was unable to get the women or older men together to form a group as many of those contacted complained of being busy and others' out-right opposition to participating in the research for personal reasons. However, one of the focus groups was made up of only youths while the other two were a mix of youth, women and older men. The interesting aspect of the focus group was that one person's response triggered another person's recollection which was absent in individual interviews.

Looking at Table 5.1, it can be observed that suitable participants were identified and recruited for the study from the host communities. The table indicates that the participants were both male and female; this is useful because of the need to accommodate the differences in their ideas surrounding contestations and conflicts in this region based on gender divide. This is derived from the perception that the male is more prone to violence than the female. Considering their age range, the research adequately accommodated the young, middle-aged and older generation of people in order to have a good, fairly balanced overview of the situation. It can be seen that most of the participants were within the age range of 30-39. This may at first appear to be a limitation but in fact, in this context, it is an advantage because people of this age range may be expected to be more mature than the younger generation,

full of experience and more current with the phenomenon than the older generation.

The research also included those who were employed and some who were unemployed. As discussed in chapter 2, unemployment has been identified as one of the major causes of the crisis in this region. This is also significant because some of the issues raised pertain to livelihoods, and the experiences of both groups would strengthen the argument. With regards to education, Table 5.1 indicates that the participants included those with formal education (but not at the university level), those with university qualifications as well as those with higher qualifications. This gave the researcher an opportunity to explore the issues raised from different standpoints. The level of education was also felt to be relevant as it would affect the level of awareness of the issues raised as well as the ability to express their opinion in clear, unambiguous terms. Demographic information of participants from the multinational oil company (MOC) and NDDC is as shown in Table 5.2.

Table 5.2 Participants from MOC and NDDC

S/N	Organization	Gender	Age range	Educational qualification
1.	MOC	Male	50-59	Master's degree
2.	MOC	Female	20-29	Bachelor degree
3.	MOC	Male	30-39	Bachelor degree
4.	NDDC	Female	40-49	Master's degree
5.	NDDC	Male	40-49	Master's degree
6.	NDDC	Male	30-39	Bachelor degree
7.	NDDC	Male	30-39	Master's degree

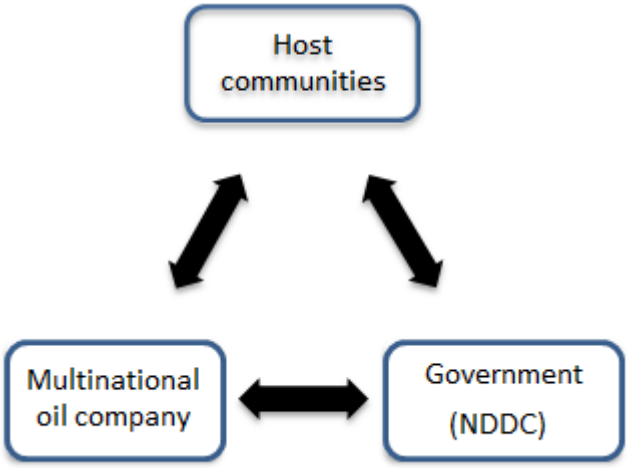
Source: Fieldwork 2014

In order to avoid disclosure and to protect the anonymity of the workers, data on the various positions held in the organisation as well as the nationality of the participants from the MOC and NDDC has been excluded. However, those interviewed were employees who worked in departments concerned with CSR and community relations. The table above indicates that both male and female respondents were recruited for the research. Their age range indicates that the opinion of the young, middle age and older generation were equally accommodated for a better understanding of the situation. As regards educational qualifications, the table indicates that all the participants held a minimum of university degree which made it easier for communication and expression of views. Their exposure to issues concerning oil extractive activities and their involvement as university graduates further buttressed their view points.

All the semi-structured one-to-one interviews lasted between 40 minutes and 1hour 45 minutes. With the consent of the respondents, all interviews were audio tape-recorded, and full transcripts were made. The researcher also took down notes to cover the non-verbal communications as well as some other experiences while on field work. As per the methodology in Chapter 3, thematic analysis was identified as the most appropriate method of analysis for the study. The analysis was conducted on the transcripts after reading and re-reading them to generate initial analytical codes. These codes were further reduced to smaller numbers until 4 overarching themes and areas of discussion were realised to address the questions/objectives of the research. These themes were subsequently developed through thematic content analysis. The themes

were considered to address the research questions. In the data analysis, each of the participant groups was analysed separately and then the linkage between the different groups identified in order to understand the relationship between the MOC and the host communities (see Fig 5.1).

Figure 5.1 The Research groups



Source: Compiled by the researcher

The diagram above shows the three central groups of the research and areas of data collection/analysis. The host communities as earlier mentioned are Mkpanak, Eket and Edo communities while the MOC is the one operating within this catchment area. The government and NDDC are jointly considered as one group because NDDC is a government establishment that was specifically set up to consider issues regarding the development of the Niger Delta region. This research does not consider the federal, state and local governments as different entities because, in this context, their functions are similar; the federal government controls the affairs of the state government, while the state government controls that of the Local Government. The functions of these tiers

of government are embedded in the role of NDDC as a representation of the government. The guidelines and terms of reference of NDDC are set by the Federal government and monitored at individual state levels. NDDC is therefore, dependent on the federal government. Whenever the 'government' is mentioned in this analysis, it should be assumed to refer to the Federal government except where expressly stated. The following areas of discussion were developed from the host community's perspective; (1) the participants' understanding of CSR (2) Traditional means of livelihoods and the impact of oil extractive processes on them (3) Issues of conflicts and their possible causes and (4) Perception of MOC by host communities

5.1 Analysis of Data from the host communities

This section explores the views of host communities regarding the four themes identified in the data. The first section is focused on what participants know about CSR and their views about the CSR programmes and projects by the MOC. The second section considers the traditional livelihoods of the host communities and the impact of oil extraction activities on these livelihoods. The third section reflects issues associated with conflicts in this region as well as the causes of conflicts. The final section discusses the perception of the MOC by the host communities. It is believed that at the end of this section, the researcher would be able to establish the relationships that exist amongst the themes.

5.1. Analysis of Data from Host Communities

5.1.1 Understanding of CSR

CSR is a relatively contextual term whose meaning and understanding differ from person to person and the group or organisation. It embodies multiple spheres of responsibility, behaviour and institutions. An understanding of societal views about what could be regarded as being socially responsible behaviour could enhance the collective social well-being of the firm and the society generally. As discussed in Chapter 2, corporate social responsibility in this study is understood to refer to the expectation/requirement/obligation of a firm to the society where it operates. Members of the host communities understood social responsibility as an obligation and a basic requirement of the firm to the society which should be taken seriously for the benefit of the community. Their awareness of the concept of CSR is indicated in most of their statements. Most members of the host communities interviewed were aware of the term and the accompanying concept of CSR. This is exemplified in the statement from PE from Eket:

> *'.. corporate social responsibilities should be taken seriously. It's not something that is optional, it is an obligation. Maybe it used to be [..] if I like or if you don't like in those days but today it's an obligation and should be taken seriously on the side of the people. The company should ensure that it should do what it supposed to do [..]. Company has a responsibility to the community whether they like it or not' (PE, 18 Sept 2014, Eket)*

Though some of the participants did not specifically mention the term corporate social responsibility, it is implied in what was said that the company owed them a duty which from their understanding was yet to be performed. Repeated use of the word 'should' inferred that the speaker believed that the company had a moral obligation to perform certain duties to them, and such duties were mandatory. Some participants felt that being socially responsible meant improving the quality of life of the host communities as mentioned by GA:

> *'.. the oil company should consider its host community in its operations and better our lives'. (GA, 27 Oct 2014, Mkpanak)*

The above statement could be understood to mean that the communities expect the MOC to change their lives permanently. Another participant, however said that their hopes were raised when the MOC came because they felt that they would no longer suffer any form of hardship in the community. They believed that the MOC would bring about more money, good roads, electricity, they would have the opportunity to drive better cars and live in good houses. According to FG:

> *'Actually when we had them [company] at the initial time, we were always happy because we knew that now that we have oil companies, we'll start benefitting. For instance, we'll have job opportunities; have money and better houses, light and so on. But as it stands now, nothing is happening, like in my place.' (FG Eket, 17th Sept. 2014)*

Similarly, another participant was more emphatic about the kind of projects that was expected of the oil companies to have a positive impact on the community and to improve their quality of live. PE from Eket says:

> *'... [company] should make its impact felt in the community. They should rise to the occasion and ensure that those projects that would touch [..] directly affect the poor people [..] and better their lives. They should live up to the expectations by carrying out its responsibilities to the community. We need good water to drink as there is no water in this place, our children are studying in dilapidated buildings they call school without adequate desks. Our rural roads are very bad such that the farmers cannot even carry their small goods to the market. We need all these to better our lives.' (PE, 18 Sept 2014, Eket)*

The issue of enlightened self-interest was also addressed by a participant who explained that most of the projects executed by the company were for their benefit rather than the benefit of the host communities. This implies that the oil company may have been involved in some projects which the host communities view as not directly affecting the poor people but rather that which will benefit themselves or those that are rich. Some of the participants gave an example of the roads constructed by the company for their workers who could not effectively drive to their offices due to bad roads and counted this as part of their CSR. To feel that the construction of roads was only for the MOC staff sounds rather strange. This could be argued to mean that the good road would be used by everyone and not only the company employees. Also, the

construction of roads could be used to improve the lives of the community to enhance the movement of their farm produce or fish to other cities for sale. However, road construction was not seen as directly beneficial to them because most of them do not own cars. Most of the rural roads especially those that were used by the locals only were not improved.

Furthermore, some other participants view social responsibility as doing things the right way and doing what is right for its stakeholders. The respondent below from Edo community emphasises that the company should do 'what is right'. From his point of view, they are the major stakeholders to the MOC and they felt that the MOC deliberately refuses to do the things that they ought to. This 'right thing' was what they called social responsibilities. It could be argued that what could be considered as being the 'right thing' to do by the host community may not be seen as 'right' by the MOC. It could also be argued that moral principles in any society should be understood and adhered to for the purpose of mutual understanding. HU said:

> *'..The point is that [company] should straighten their relationship with the host communities. ….] they should handle things in the right way and right perspective ….] You know as the major stakeholders, we were still pleading [appealing], ….] they should make sure that the right thing is done …] that is social responsibility. I think the entire people …] are at the receiving end of the impact of their operations.' (HU, 9 Oct 2014, Edo)*

The above statement accuses the company of negligence or willful irresponsibility. The participant views the MOC as not handling negative issues that affect the community the way they should which has resulted in an unfriendly relationship between the two parties. It could also be understood that the host communities see themselves as being at the receiving end of the negative impact of oil extraction activities and therefore deserve better treatment from the MOC. This could be because the host communities do not like the way they are being treated by the company, but they do not have a choice and can hardly do anything to change the situation. A similar view was shared by another participant whose quote follows that the MOC does not respond to the plight of the people and so they are irresponsible. He understood social responsibility from the point of view of treating stakeholders in a responsible manner by protecting their interest rather than damage their interests.

> *'….the other time there was oil spillage, [company] did not respond on time until the people demonstrated. A good company that has the interest of the people at heart would respond immediately and see what it can do […] this is the issue of social responsibility; the company has to take the community into consideration'. (PE, 18 Sept 2014, Eket)*

It could be understood from the statement above that the MOC cannot claim to be socially responsible and at the same time portray an act of irresponsibility by their failure to act on issues of the oil spill in this region. Their attitude of constantly waiting for the host communities to demonstrate before they take action suggests that they do not have the interest of the people at heart. It is

expected of them to respond immediately if there is an occurrence of an oil spill. They seem to be reactive and never proactive in this regards. CSR is also understood as being involved in the development of their community as stated by KA:

> *'… the oil company has a part to play in our development; they have to contribute to our development […]they have to be responsible, there are things they must do for the community which they have neglected, they've not done and they have to do them'.(KA, 27 Oct 2014, Mkpanak)*

The statement above suggests that the company must and should be active and prepared to help the communities where they operate as well as protect their interest. It can also be understood that the issues of CSR is seen by the host communities as a matter of right and not an option which must be adhered to by the MOC. They believe that the MOC owe them a duty and should live up to their expectations. Though the idea of CSR is understood from different stand points by the host community participants, the basic principles remain the same which are those of achieving maximum benefit from the MOC.

From the evidence above, it can be understood that the host communities view CSR from different stand points with regards to their expectations from the MOC. CSR is understood as incorporating fair treatment, reducing the negative impact of a/the company's activities, protect their interest and improve the quality of life through the provision of basic social amenities. CSR is also viewed as an obligation and doing 'what is right' for the good of the community

and the benefit of the company. These obligations/expectations are not mutually exclusive but interrelated. For example reducing the negative impact of the oil exploration activities is seen as doing what is right. Similarly, participants from the host communities believe that it is part of the responsibilities of the host communities to improve their quality of life. This is seen as a right due to every stakeholder of a firm.

The host communities see themselves as stakeholders in the activities of the MOC. They believe that the MOC cannot operate in isolation but have to accommodate the communities' interests as well. The host communities also feel that the MOCs have an obligation to perform their CSR. It has also been established that the MOCs can only be seen to be socially responsible if they do the right thing at the right time especially when it has to do with their response to the issue of oil spillage in order to protect the companies' interest. The right thing, in this case, could mean cleaning up the spilled oil and paying compensation for the damage that could be caused. Similarly, from the perspective of the host communities, they feel that the MOC should consider the plight of the host communities as regards the impact of oil exploitation on the environmental and act more promptly to salvage the situation.

Based on the locals' understanding of CSR, it is expected that certain projects should be carried out by MOCs in order to be considered as being socially responsible. These projects are such that will make a difference between their present status and before oil was discovered on their land. They believe that the idea of CSR should be imbibed by the MOC and fair treatment is given to them for the use of their land for oil exploration. They equally desire to feel the

positive impact of having a multinational oil company in their community. The host communities believe that they barely bear the name 'host communities' without any added advantage over other communities where there is no oil. Their expectations are based on what they believe is obtainable in other communities where oil is discovered and the need to be treated fairly as it applies to other oil communities. This is affirmed by the participant below who says;

> *'…these have really made the people feel the company has failed in its corporate social responsibility. The project they used to ehmm undertake are no more there. So we are just named as a host community, but we are not getting what we are supposed to gain […] even when a job opportunity comes they decide to do the interview and recruitment ahmm in Lagos and send the staff down. These have made the people not to have a cordial relationship with the company anymore, and it's giving us serious problems'.(SE, 23 sept, 2014, Eket)*

The expectations of the host communities from the MOC, based on their understanding of CSR, could be closely related to the expectations of the employee from the employer in terms of a Psychological Contract (PC) at the work place. In PCT (as discussed in Chapter 2), the employee believes that having put in his /her talent, hard work, dedication, devotion and consistency, he /she may expect to get money, recognition, position or appreciation in return. Similarly, expanding this idea to the community/company context, as discussed in the previous chapter, the host communities believe that having donated their land and resources to the MOC as well as the effects of oil exploration activities,

they expect to have a fair treatment in return. They believe that they deserve something more than what is happening in their communities as regards better standard of living and meeting the needs of the communities by the provision of basic social amenities. Being a 'host' implies an obligation to the host, but also on those who are visiting and being hosted. If you visit someone's home, you have an obligation to respect and treat that home and property (belongings) with care or respect which relates to a reciprocal behaviour. There seems to be an implicit contractual relationship between the two parties.

This can be argued in the sense that the agreement (implicit) between the host communities and the MOC seems to be more pronounced from the viewpoint of the host communities who consider their side of the bargain at the expense of what is expected of them by the MOC. It could also be said that in any contractual relationship, both parties have a role to play for the contract to be binding. If one party is seen as doing its part without reciprocal behaviour on the part of the other, there is bound to be complaint irrespective of which of the parties has failed to perform its duties. Therefore, the relationship between both parties could be affected negatively. In the case of the NDR, the host communities expect so much from the MOC, and a similar expectation is required of them by the MOC, both parties seem to point accusing fingers at the other, and the result is conflict, misunderstanding and suspicion. There is a need for a mutual understanding of the role of each group for a peaceful coexistence. The next section will consider the CSR programmes expected by host communities of the MOC.

Figure 4.2 is a representation of the views of the host communities about what they understand by Corporate Social Responsibility. This model was conceived and developed by the researcher as she worked on the analysis of the interviews.

Figure 5.2 Perception of CSR by the Host Communities

Source: Author

5.1.2 CSR Programmes and Projects

From the perspective of the participants, certain programmes and projects were considered a requirement and expectation from the MOC in order to improve the quality of life of the host communities. These programmes were viewed as a basic requirement and part of the responsibilities of the MOC. These include a contribution to the development of the area through the provision of basic infrastructural facilities such as good roads, good water, health care services

and educational facilities and recruitment of indigenes in the company. A member of the Mkpanak community said:

> *'…Everybody needs electricity; electricity develops a community […], so if you give us electricity, you give us life, you give us water, and you give us life. If they can build a secondary school here it will also help our kids [...] if they can build a hospital here, we don't have a hospital, and anyone that is sick of this community goes to Eket. Most times you go to these private clinics, and there are no drugs or the drugs are very expensive that people cannot afford [...] And if it's an emergency, taking somebody from here to Eket is death, the person will die on the road.So if they can give us good electricity, give us good drinking water, give us good roads, give us clinic and schools then employ our youth. Who will complain?' (KA, 27 Oct 2014, Mkpanak)*

This respondent gives an impression that the host communities are over dependent on the MOC for virtually everything they need. They believe that the MOC has come to solve all their problems which sound rather unrealistic and optimistic. It also indicates that the oil company has not done much with regards to CSR in this area that is why they are complaining. It can also be seen from the statement above that these projects are the basic requirement of any community. However, complaining about their needs could mean that what has been provided (if at all) may be insufficient. Some other participants indicated that the CSR projects should be such that are directly beneficial to the community in order to meet their needs as stated by PE of Eket that:

'Like [...] some communities do not have pipe borne water, like a town hall, if you give us a town hall in my village I will benefit from it directly'. (PE, 18 Sept 2014, Eket)

This indicates that there are projects executed by the MOC which seem not to meet the needs of the communities, but is rather considered to be indirectly for the benefit of the MOC. As mentioned in 4.1.1, the community feels that the company is more interested in carrying out those projects that they could use to promote their public image and benefit their staff. This is affirmed by PE, Eket that:

'…My community, we've not benefited from [company]. [..] If they construct roads, they construct for their worker to drive. How many people outside [company] workers have cars in Eket. They construct for themselves. When you talk about social responsibilities [...] and you apply the doctrine of enlightened self-interest, whatever you are doing is directly or indirectly for yourself. The company, if they apply that doctrine then it is directly doing it for itself, to boost their image. The majority of [company] workers, they have 3 to 4 cars, they drive it on the road and so most of the road constructed is for their workers. If they fail to construct it is also for their workers (PE, 18 Sept 2014, Eket)

It could be understood that the projects that benefit the society generally are different from those who would make a difference to the host communities. The participant went further to say that building a town hall for the community and schools is seen as being beneficial directly to the host communities. Also the

host communities believe that the CSR programmes should be sustainable. The CSR programs expected of the MOC are related to the desire of host communities to protect the interests of the future generation and their livelihoods. The host communities believe that the method of operation of the MOC makes them doubt if there is hope for future generations of their community. One of the participants from Edo commented that:

> *'They have taken our land, our water our livelihoods and so what is left? It is barely 40 years when [company] commenced extraction in this area and yet complains are so numerous; I don't think our future generation will have anything left for them. The oil companies' activities will not benefit the future generation. That is why the youths are not giving them breathing space'. (BU, 15 Aug 2014, Edo)*

It seems BU feels that the MOC does not consider issues of sustainability. The participants feel that there are no prospects for the future generation considering the rate at which they have been negatively affected by oil extractive processes. They doubt if the future generation would derive any benefits from the MOC. The evidence above implies that the host communities expect a lot more from the MOC. It seems much of their life depends on the MOC and what they can get from them. They feel that everything they once owned in terms of their land and livelihood has been taken away from them and so they deserve to be compensated. There seems to be a misunderstanding between what is done in the interest of the MOC and what is done in the interest of the communities. It can equally be understood that some of the CSR projects by the MOC is seen as being done in order to boost their public image

and not for the benefit of the host communities. These expectations are similar to that of PC between an employer and the employee; the employee expects something in return for what he/she offers to the organisation. The host communities may be right to expect a valuable outcome in exchange for their land and oil, but over-dependence on MOC is of serious concern. Overall then, it would appear that there is a need to examine their means of livelihood before the discovery of oil and the advent of the MOC.

5.1.3 Traditional Livelihood Activities

One of the tenets of CSR is that firms should contribute to *solving* societal problems rather than creating them. There seems to be a lack of knowledge and understanding amongst the MOC of local livelihoods and the need to work towards sustaining them. In order to design effective programmes to satisfy social responsibilities, the firm needs to possess adequate knowledge about the specific social problems. It is, therefore, important to know the means of securing the necessities of life of the people of this region. Due to the geography/ecology of this area, which is surrounded by water bodies, the traditional livelihoods activities include; fishing, farming and trading. The inhabitants of this area depend on the water bodies of aquatic animals like fish, crayfish, crab, prawns, lobsters, and periwinkles. Most of these aquatic products are used for trading as well as local consumption (see Figure 5.3 and 5.4). The Riverside also enhanced the growth of raffia palms from where palm wine is being tapped for local consumption and sales. The participant below from Edo community affirms as follows;

'Being [..] an area that is [..] surrounded by water bodies the main occupation of people from this area is fishing, farming, this lumbering work, palm wine tapping those are the main occupation of people from that area' (HU, 9 Oct 2014, Edo)

So farming is a major livelihood activity. Both males and females are involved in farming activities. There are also no restrictions in terms of the age limit for farming in this region. Due to the swampy nature of the area, there is an absence of large hectares of land, hence the difficulty of carrying out mechanised agriculture. The majority of the farmers are subsistence farmers with very few involved in large-scale agriculture. Most of the farmers are seen as poor, engaging in farming as a means of survival and not as a lucrative profession anymore. The participant below states that;

'…. yeah farming is the basic thing, I'm trying to tell you now that it is in the modern way that they've risen from farming [..], farming was the basic thing everybody did then [..]Yes. Morning and evening they do go to farms except Sundays. It is peasant farming or subsistence farming; they sell some of the products to make more money, Just to survive..' (FG, 17th Sept 2014, Eket)

Figure 5.3 Farmer returning from the farm

Source: http://www.eyesonnigeria.org/EON_Extractives.html

Figure 5.4 Fisherman dragging the fishing net after a catch

http://www.bbc.co.uk/news/world-africa-22487099

Similarly, another participant explains that salt making was one of the sources of livelihood for the people before the arrival of the Europeans on the shores of their land. As a community that is close to the sea, salt making must have been the main source of livelihood for the rural communities. Though this occupation did not continue for long because the Europeans brought in already made and refined salt, a few of the community members are still involved in such activity for local consumption. PA from Mkpanak community explains that;

> *'Before the discovery of oil Ibeno, being riverine people, their main occupation is fishing. And before the advent of the Europeans, who brought in salt, they were salt makers, but definitely now most people are fishermen, they are farmers and traders..'. (PA, 27 Oct 2014, Mkpanak)*

Although the participant did not explain the reason for the community abandoning the salt making occupation, it seems that salt making was not as lucrative as other businesses as salt is one of the cheapest items one can buy. The traditional livelihood of the rural dwellers of farming, fishing and trading are interrelated. Products from the farm as well as aquatic products from the river were the major items for trade. This therefore means that without the farming and fishing the occupation of trading could be negatively affected. This means that trading is not limited to locally generated products. Trading in natural resources from farms and rivers could be a lot easier for the rural dwellers with limited funds as they may not have so much money to engage in larger forms of trade (see Figure 5.5 and 5.6)

Figure 5.5 Women trading in fresh fish

Source: Field work (Oct 2014)

Figure 5.6 Female Fish trader drying fish

Source: Fieldwork (Sept 2014)

The pictures above indicate that trading in fish and other aquatic products are the main traditional livelihood activities of the women. Figure 5.5 shows women trading in freshly harvested fish while Figure 5.6 is that of a woman drying fish. These livelihoods have been adversely affected by the oil spills. It is, therefore, pertinent to explore how oil discovery and extraction has affected the livelihoods of the host communities in the next section.

5.1.4 Negative Effect of Oil Activities on Traditional Livelihoods

For a corporation to be seen as being socially responsible, it is expected the corporate activities should be more beneficial to the society rather than harmful. However, the means of livelihoods of the host communities have been negatively affected by oil extraction activities of MOCs. Participants have explained that oil extractive activities of the MOCs have resulted in frequent oil spills which have had a toll on the livelihoods of the people. Their traditional livelihood activities such as farming and fishing have been seriously affected as shown by this comment from PA:

> *'.. now we cannot do the fishing because of the oil operation, the incessant oil spills, killing the aquatic lives and so on[…]The people realize that the fishermen, farmers and others who depend on forest and sea products as means of livelihood are seriously damaged both the land and the sea has been polluted and the forest destroyed [..] They could not fish again because if there is oil spill [company] will try to bring chemical to spray on top and the chemical will make the oil in the form of*

ball, and they will sink into the bed of the sea. [..] If you are fortunate enough to get fish, you cannot get the taste again because of the oil'. (PA, 27 Oct, 2014, Mkpanak)

Similarly, some participants attributed the poor catch and infertility of the soil to oil extractive activities.

'The oil company's activities have negatively affected our means of livelihood so much. Am sure you must have heard about oil spillage and gas flaring. The oil spillage has affected our water and land such that we cannot catch as much fish as we used to do before and the soil is no longer fertile for our crops. Even the small vegetable gardens we used to have around our houses, when you plant the seed they refuse to germinate'. (BU, 15 Aug 2014, Edo)

So oil spill affects not only their farmlands and the fishes in the water far from where they live but rather very close to their homes to the extent that the small gardens around their homes are also affected.

However, this was disputed by the MOC operating in this region which stated that they operate off shore and so it is not possible for the host communities to complain of the oil spill on their land. This claim is captured below:

' all our warehouses are in the sea, we don't operate on land, you will not see any of our pipelines crossing anybody's water, anybody's land,

anybody's farmland that is why you've not heard of oil spill […]' (AS, 4th Aug 2014).

It is, therefore, difficult to determine whose story to believe; whether that of the host communities or that of the MOC. The host communities are complaining on one hand of the oil that spills on their land, whereas the MOC is saying that they do not spill oil as all their facilities are off-shore. The above statement gives one the impression that the MOCs are more concerned about protecting their interest rather than solving the problem. Saying that the company's facilities are off-shore does not mean that oil spill does not occur. This statement places the company on the defence and as such indirectly freeing themselves from the blame for the oil spill. This may look like a good report for the company, but it does not in any way solve the problem. As a major multinational oil company in the state, there is a limit to what can be said to exonerate them from blame. The common concern is that oil spill occurs in this region irrespective of the facilities from which the oil spills (See Figure 4.7 and 4.8). The host communities, therefore, seek an alternative means of survival.

'..The discovery of oil as a means of survival in the region has now made people to dump their original means of livelihood because they see it as a fast way of making money through the oil revenue. Apart from that, the soil was no longer fertile because of the oil flow. Planting a seed where you have crude oil very close to the seed you have planted kills the seed. The oil spillage has caused most farmers to abandon their profession and seek other sources of livelihoods'. (SE, 23 Sept 2014, Eket).

Figure 5.7 Oil spill on water

Source:http://www.punchng.com/business/business-economy/nigeria-has-recorded-600-oil-spills-this-year/http://saharareporters.com/news-page/fresh-oil-spill-recorded-ibeno-local-government-area-akwa-ibom-state

Figure 5.8 Oil spill on farmland

Source:http://www.punchng.com/business/business-economy/nigeria-has-recorded-600-oil-spills-this-year/http://saharareporters.com/news-page/fresh-oil-spill-recorded-ibeno-local-government-area-akwa-ibom-state

Figure 5.7 is a picture showing children fetching water from a stream polluted by the oil spill with crude oil floating on the surface of the water. Similarly, Figure 5.8 is a picture of the oil spill on land. These images are from the region of this research and evidence of the local's claim for oil spills on their water and land (use links). It was not safe for the researcher to take the photos in person hence the use of Google images. It can be observed that no plant or weed grows in the area where there a concentration of the oil. This is an indication that the spill affects the cultivation of crops for the farmers. It could be understood that there is a common understanding amongst the host communities on the negative effects of oil extraction in that area. The issue of the oil spill is not taken lightly by the host communities. Many participants have expressed concerns about the problem of the oil spill which has been a frequent occurrence, but this seems to be ignored by the MOCs. The oil spill does not only affect their livelihoods but also their daily survival as it affects the rivers and streams where water was hitherto fetched for drinking, washing and cooking. The participant from Edo community describes one of the worst oil spills that occurred:

> *' ..another thing is the oil spillage, to be precise, in January that was in 1998, on 12th January 1998 there was a very serious spill from Edoho platform, the pipe just burst and that spillage was the talk of the town, [..] the entire Atlantic ocean was affected, in fact after 8 days the effect of that spill was experienced in Lagos area in all the water bodies there were affected, and people even had to scoop the crude oil. You can imagine what that will do to the aquatic organisms, the fishes [...] everything was affected. So what I'm trying to say is that oil spillage has always been on the increase…' (HU, 9 Oct 2014, Edo)*

The statement above explains the magnitude of the negative effects of oil spills. The extent to which the spill could spread is unimaginable as the oil floats on water.

Figure 5.9 Effect of oil spill on fish

Source:http://m.timeslive.co.za/?articleId=7262300

Figure 5.10 Effect of oil spill on other aquatic animals

Source:http://www.bebor.org/images/life-in-bodo/

These suggest that the issue of the oil spill has been of serious concern to members of the host communities because of the multiplier effect it tends to have on the people, their daily lives, social lives and their livelihoods. Figure 4.9 and 5.10 are pictures of the oil spill from one of the facilities of the MOC located offshore from the Niger Delta which spread at least 20 miles from its source, covering waters used by fishermen and killing the fish and other aquatic animals. This incident occurred in November 2012 which indicates that oil spillage in this region is a recurring issue, and these are not merely false claims. The picture above shows the lifeless fishes, crabs and prawns as a result of oil spill. Oil spillage has caused so much harm to the water and the land which were previously used for fishing and farming. Being an area surrounded by water bodies, the oil spill has had a toll on their livelihoods (see Figure 5.9 and 5.10). Those who were engaged in some form of trading especially in fish and aquatic products have not been exempted from the effect of oil spills. Their businesses are affected by the quantity of fish caught by the fishermen each day. The spill therefore, affects the young and older fishermen, the women who trade on fish and other aquatic products, as well as the children who depend on their parents to provide their basic needs through fishing, farming or/and trading. Not only was their land destroyed by exploration activities but their land was also taken away by the oil companies. This assertion is made clear by HU that:

> *'… A greater part of the land we normally use for farming has been taken by the oil companies; this, therefore, means that their existence has really affected our socio-economic lives'. (HU, 9 Oct 2014, Edo)*

HU, who is from Edo community expressed concern about the land belonging to the community which has been taken over by the MOC for installation of their facilities. He also complained that when an individual obtains another person's or community's land either through outright purchase or on rent, such land is usually paid for, but in the case of his community nothing has been given to them in exchange for their land. In support of this view, a participant from Mkpanak community explains how the MOC has taken away a greater part of their community land for the construction of the administration building for their offices and that more than half of the community's land is now owned by the MOC. He states that;

> *'…They have taken more than half of the community, as you are coming down as soon as you step out of that beach, till the end of it you realise that the community is divided into two, one side for the community and one side to [company]. If you follow the beach road till the end, you realise that the portion occupied by [company] is even bigger than the portion that the community occupies. So how can you take that kind of land mass and exorbitant exploration of oil on a daily basis and the community is still like a desert'? (KA, 27th, Oct 2014, Mkpanak)*

This explains why the host communities feel they ought to be and have not been adequately compensated. Some participants acknowledged that the adverse effect of oil exploration activities has not only affected their livelihoods but also having a long lasting environmental and health implications. Closely related to oil spillages is the issue of gas flaring. The host communities

associate certain health and environmental hazards to gas flaring which causes acid rain and skin diseases. A participant from Edo said this:

> '*We have encountered so many problems […] I'm talking like a seasoned environmentalist, I am into environmental studies. [...] Gas flaring has brought so much negative impact to the area, [..] It is a very common experience to see this roofing zinc decay on its own within the space of 2-3 years. The zinc is being attacked by the acid [..] this is known as acid rain because of the gas [company] has been flaring. [..] When the gas is being flared carbon dioxide, methane, chloroform carbons are being sent into the atmosphere that would bring very serious negative impact on the environment. [..] it has equally attacked the vegetation and the ecosystem, and even water [..] It has caused a lot of havoc in that area, and we are experiencing very funny skin diseases, at times it comes in form of rashes because of [..] gas flaring' (HU, 9 Oct 2014, Edo).*

HU seems to be very knowledgeable about what is happening in this region in terms of how their lives have been adversely affected by the activities of MOCs. Though this may be general knowledge about the subject matter, he seems to be well informed. The participant attributes skin disease in this region to oil exploitation activities. It could be argued that skin diseases may be caused by so many other factors other than gas flaring, but disputing that gas is not being flared may not be very correct. Being a long standing problem in this region, members of the community have a fair understanding of the negative effects of gas flaring on their health. Another participant explains gas flaring from a layman's point of view as fire burning out of a pipe (see fig 5.11) and further

affirms that it causes other health problems like high blood pressure and asthma. He states that;

> *'Do you see something that looks like fire burning out of a pipe high up into the atmosphere? That is the gas that is being flared. According to doctors, such gases can affect our health, so apart from the farmlands being affected, our health too has been affected, and it also causes serious heat and sometimes asthma'. (BU, 15 Aug 2014, Edo)*

Figure 5.11 Gas flaring in the Niger Delta

Source:http://www.globalexchange.org/blogs/peopletopeople/2011/03/29/help-stop-gas-flaring-in-the-niger-delta/

Figure 5.11 shows a farmer returning from his farm on his bicycle and a distance fire is oozing from a pipe into the atmosphere. People see this on a daily basis and have a story to explain what the MOC is doing. Some participants attribute the high temperature around this area to gas flaring, killing

the crops that are planted on farmlands near the gas pipes. Others explained that the kind of rain water they get in recent times is dark in colour, and this could be responsible for the poor yield of their crops; when such rain falls to the ground instead of watering the crop and enabling growth, it rather destroys the plants. Therefore, they attribute the negative effects on their health and livelihood to gas flaring which explains why the people are at logger heads with the MOC for not providing a better life. The scientific evidence to prove the negative effect of gas flaring is discussed in section 4.2.1 of Chapter 4. Though it could be argued that issues of conflict in this region might not always be attributed to the adverse effect of oil extraction, it could also be said that it is one of the factors that trigger conflict. There have also been complaints from the host communities and open protests against the MOC which have resulted in conflicts and confrontational attitudes. The negative effect of oil extraction on traditional livelihoods has risked people seeking non-legal means of supporting themselves. For example, PA from Mkpanak community states that;

> *'The livelihood has been abandoned, the young men are now on the road with sticks and nails to block any company coming in [laughs] in order to get what to eat because they cannot fish again'. (PA, 27 Oct 2014, Mkpanak*)

Considering the comment above from an elderly man who is over 60 years old, there is an indication that the communities have become helpless and have resorted to using nails and sticks to protest against the oil company. This suggests that the traditional livelihoods of the people; mainly farming, fishing and trading have been seriously affected by oil exploration activities leaving

them with no option other than to antagonise the MOC. The farmlands have been affected by the oil spill as well as gas flaring. The streams and rivers that were hitherto used for fishing and obtaining other aquatic animals have also been negatively affected. As a result of these events, trading, especially on aquatic products such as periwinkles, crayfish, prawns and lobster and of farm produce have been affected. Participants also expressed their concern over the increased rate of unemployment which is linked to the negative effects of oil extraction on their traditional livelihoods.

Participants across the focus groups shared similar views on the discovery of oil and the emergence of the oil industry contributing to the hardship in their communities as a result of the negative effects on their livelihoods through oil spill, water pollution and gas flaring. Participants from Mkpanak were particularly unhappy about the increasing rate of oil spills off the coast of their community resulting in negative environmental impacts. They also complained of the MOC constantly denying the responsibility of such spill and refusal to pay compensation. One of the speakers states as follows:

> *'Before the discovery of oil, I am young but from what my grandfather told me, life was beautiful. Everybody (pause) had a hand work which they used to survive either as Potter, [..] fishermen [..] also farming because we also planted crops, so like a grown up, as a young boy you are advised to get busy by following the community trade.[..] Their exploration and exploitation have caused harm to the environment; first our handwork which has to do with water is polluted [..] even now you take your boat and go to the sea you cannot make any catch.[..] their*

duty here the exploration is causing havoc to the community. They said that there would be compensation to the community, none of that compensation has been done.'(Focus group Mkpanak, 27th Oct 2014)

The extract above really brings out the area of discussion on livelihood in the way that it suggests that life was different for the host communities before the discovery of oil. The people were happy and content with whatever livelihood activities they were engaged in which has been disrupted by the discovery of oil on their land. Their negative perception is also influenced by the inability of the MOC to adequately compensate them for the negative impact of oil extraction on their environment and their daily activities. However, there was a variety of opinions of participants in the focus group in Eket community. While some felt that they were better-off now than before oil was discovered, others felt the situation is worse-off now. This could be due to the fact that this focus group was made up of youths only, and it seems most of the participants may not have experienced life before the arrival of the multinationals. Most of the participants were between the ages of 20 and 35 which suggest that being a younger generation; they would prefer white-collar jobs to their traditional occupation of farming and fishing.

Furthermore, participants from the focus group in Edo community believe that the provisions of social infrastructures are as important to them as the prevention of pollution on their land and water. There was some agreement between members of that group that, while they wanted a better life through modern facilities, they still needed to maintain their traditional livelihoods of farming and fishing. According to MA of Edo community;

'Our community needs a road, water, electricity, good schools and hospitals so that we can live a good life; we also need the pollution of our water and land to stop so that the people can maintain the tradition of our ancestors and also feed our families. The company cannot employ all of us so if they destroy all that we have. Where do we run to?'(Focus group Edo, 26th August 2014)

It could be understood from this statement that the benefits they derive from the MOC are very little compared to the negative impact of the oil exploitation activities. The destruction of their traditional livelihood is not taken lightly because of its effect on their socio-cultural as well as economic lives. These suggest why the host communities depend so much on the MOC and feel frustrated over the inability of the MOC to meet up with their demands on recruitment and provision of basic social amenities. However, the disruption of traditional livelihoods may not be responsible for the relationship between one host community and another on the struggle for survival and scramble for limited resources. The conflict between one host community and another could be due to encroachment of one on another's land in search of livelihood which has subsequently resulted in conflict with the MOC (see section 5.1.5 for details). It is, therefore, pertinent to explore some past and current disputes and conflicts that have occurred within this region and their possible causes.

5.1.5 Review of the Past and Current Disputes/Conflict in the Region

Two dimensions of the conflict were discovered; the first being a conflict between two host communities and second between the host communities and the MOC. The two dimensions are interrelated because the conflicts between the host communities indirectly affected the MOC and vice versa. The conflicts between two host communities were attributed to issues of land ownership where different communities would either claim land in order to benefit more from the MOC or for livelihood activity like farming. On the other hand, the conflict between the host communities and the MOC was attributed to demands made by the host communities which sometimes resulted in uncontrollable crisis. The issue of crisis in this region has been a regular one and the damage caused is sometimes unimaginable. As regards the conflict with the MOC, a participant has this to say;

> *'Sometime…, I can't be so precise now; there was a very serious trouble, very serious crisis. I don't know if you heard about it, as a result of that the [company] club was burnt down. People were maimed in one way or the other in fact there was a very serious problem. [..] Most of what the community [..] does affect their operations and their operations also affect the communities'. (HU, 9 Oct 2014, Edo)*

This is an indication that a conflict that could result in burning down the company's building (club house) is considered to be serious and may have been an outcome of long standing agitations that were not addressed in time. It could also be argued from the statement above that the activities of the MOC do

affect that of the host communities and vice versa, and that is why there is conflict. The MOC can therefore not operate in isolation but must recognise the host communities as having a stake in their operations. The participant below gives an eye witness' account of the conflict with MOC which occurred recently as follows;

> *'I witnessed last year's conflict, all the youth came out to settle at the airstrip by burning tires in front of the airstrip, and they stayed there for three weeks without leaving the place'.(RX, 16 Sept 2014, Eket)*

This implies that conflict with the MOC has not ceased, and the main actors in such conflicts are the youth. He adds another dimension to the conflicts which are in the form of burning tires in front of the airstrip. One does not know how they achieve their aim through this method, but it seems to be used to deter the workers from going near their work place as burning tires have big flames. Some other participant who is a youth also affirms this and says;

> *'Yes, we have been involved in conflicts before with the oil company. What we normally do is to block the road that leads to their office such that no vehicle goes in nor comes out. We block the roads that lead to where their facilities are kept [airstrip] and we also block some major roads. These roads are blocked until when they listen to the demands of the community'. (SE, 23 Sept 2014, Eket)*

The statements above indicate that apart from the most serious crisis which occurs occasionally, other forms of conflicts where the community youth block

the road in order to prevent the company workers from going to work seems to be more frequent. This action is seen as a means of drawing the attention of the MOC to their needs hence forcing them to respond. This gives the impression that the MOC may be partly responsible for the crisis due to their failure to accommodate the interest of their host communities. This is further affirmed by HU as follows;

> *'..The point is that [..] the problem of most of these multinational companies at times they will not do what they ought to do unless there is pressure/ problem here and there. It is only where there is very serious pressure from the community that they do what the community wants. (HU, 9 Oct 2014, Edo)*

It could be understood that the conflicts between the host communities and the MOC are mostly used as a means of provoking the company to act. The host communities believe that if they don't cause the crisis, they will not be heard. This approach seems to yield positive results for the host communities. However, there is no guarantee that the host communities would change their approach to getting the attention of the MOC. On the other hand, the conflict between two host communities is mostly associated with an expected benefit they hope to derive from the MOC. The host communities that are perceived to have higher contributions in terms of land receive more compensation from the MOC. The more of a community's land that is occupied by the MOC, the more benefit the community expects and the higher the amount expected as compensation. MM of Edo community states that;

'The conflict [between Ibeno and Eket] was about the land issue; the Eket people said the Ibeno people were not the original owners of the land. They refused to leave the place and so they had to fight for the land in order to survive. [..] Eket was a very rich place, all the other three catchment areas being Ibeno, Esit Eket and Onna were under Eket local government area before it was split into four L.G.As. The multinational oil company seems to give priority to Ibeno communities because they feel that these communities are closer to their operating sites….' (MM, 19 Sept 2014, Edo)

Other inter-communal conflicts associated with land ownership were between Esit Eket, Ibeno and Mbo communities. The conflicts escalated to an inter-ethnic one involving other communities speaking similar languages. This is stated by GO below;

'Yes sometimes the communities also have their communal clashes too. For example, there was a problem between Esit Eket and Ibeno which extended beyond Esit Eket to all Eket speaking groups. There was also a communal conflict between Esit Eket and the Mbo people. Mbo is not one of the core communities, but they have been agitating to be a part of the core communities because according to them most of the negative impact of oil extraction used to come to them and so they should be part of the core communities of [company]. The problem that Esit Eket had with their Mbo counterpart is that of land; it was a very serious problem. At times most of the problem normally comes because of the presence of [company] there'. (GO, 12 Sept 2014, Eket)

This suggests that being part of the core (host) communities is seen as a privilege because of the expected benefits. The people of Mbo anticipate huge benefits from the MOC because, according to them, they also bear the brunt of oil extractive activities. They, therefore, feel cheated by other host communities which sometimes result in conflicts since they share a common boundary. Sharing a common boundary has also resulted in a land dispute between the communities due to the encroachment of one community into the land of another. HU of Edo community states that;

> *'Take, for instance, the conflict between Ibeno and Esit-Eket [..] it started in 1990, and it took about two years or so. The people of Ibeno local government area had very serious conflict with the people of Esit Eket, so the thing resulted in loss of lives, properties were destroyed and so on, in fact, lives were lost [..] on daily basis because they were fighting for land, fighting for land [..] greater part of where Ibeno now claims to have is the land of Esit Eket. You know they are late settlers as far as the history is concerned, they came late, you know they have to survive still in one way or the other,[..] at times they use very wrong method, very aggressive method of making sure that they exist or that they project into the area that they know is not their own so from time to time that has been bringing these clashes'. (HU, 9 Oct 2014, Edo)*

The above assertion is an indication that inter-communal conflicts often occur in this region, and most of the conflicts are as a result of land disputes. The land is seen as a major asset in the community which is often transferred from one

generation to another. Any attempt to take over individual or community land often result in conflicts. Similarly, another participant asserts thus;

> *'Yes, they usually have Esit-Udua and Ibeno conflict. [company] usually trace and discover oil and they pay to drill the oil, sometimes in Esit-Udua, when the Ibeno people see that the oil has been discovered in the land, they now claim that that land belongs to them, and that's what brings about the conflict'. (FG, 17 Sept 2014, Eket)*

The participants, therefore, attribute inter-communal conflicts to the discovery of oil on community's land. They believe that any community in which oil is discovered stands to gain more than the other communities, hence the disputes with regards to land ownership. It has been observed that Ibeno community is cited in most of the inter-communal conflicts. The Ibeno people are seen as having a conflict with Esit-Eket, Esit-Udua and Eket people. Though there may be a conflict between other communities within this region, the conflicts with Ibeno community seems to be more obvious. The Ibeno people are perceived to be benefiting more from the MOC than other neighbouring communities leading to jealousy. The establishment of the oil company's administrative office in Ibeno further compounds the problem because the community is seen as being more favoured than other oil producing communities. However, the dispute between Ibeno and other communities may be due to the central location of the community which is bounded by four local government areas. Most disputes and disagreements do not just happen, but may be caused by certain factors. The next section will identify and examine the cause of conflicts in order to determine possible means of successfully reducing or eradicating them.

5.1.6 Factors Associated with Conflict/ Disputes

Several interrelated factors were identified as being associated with conflicts within this region. These factors include irresponsible behaviour by MOCs, environmental factors like oil spillage and gas flaring, political factors such as land disputes and socio-economic factors like poverty, hunger and unemployment. These factors are not mutually exclusive but are closely related to one another. As regards the conflict between the host communities and the MOC, some participants attribute this to the nonchalant and irresponsible attitude of the MOC. This is JE's experience:

> *'..Maybe the management of [company] is different from that of [company]. The people that were there are no longer there and so before you can get anything from [company] now, there must be dialogue, there must be violence, there must be fighting and so on. There is no good relationship again but before it was not like that [..] Before you can get anything from [company] now there must be violence, this road has to be blocked, and people have to fight'. (JE, 27 Oct 2014, Mkpanak)*

Perhaps the attitude of the MOC towards their host communities has changed over time. The once responsible company is no longer seen as such due to change in management. The community is therefore forced to resort to conflicts and crisis in order to get what they want from the MOC. This gives an impression that the host communities are compelled to do what they do in order to get what they want. This possibility cannot be overlooked because maintaining a cordial relationship with the host community could be a stepping

stone to peaceful coexistence. However, some participants attribute the conflict to environmental factors as stated by HU:

> *'…I had earlier mentioned of the incidence of the oil spillage that we used to have, because of that the community will agitate for most of these things [..]. In one way or the other, they will now decide to do one project or the other. Apart from that as I rightly mentioned to you the stage is on in terms of negotiations from time to time the community and [company] will meet, we have an understanding that from time to time this is what you have to do […] that is what used to trigger off most of these problems'. (HU, 9 Oct 2014, Edo)*

The statement above indicates that the issue of oil spillage has also contributed to the crisis in this region. It could also be understood that the host communities expect the MOC to have regular meetings with them in order to negotiate on what could be done about the oil spill and the projects to be executed as part of their CSR. Conflict is therefore triggered when the MOC does nothing about the issue of the oil spill. Another participant from Mkpanak community explains that there were instances when the government had to be involved in their contestations as regards oil spill as explained:

> *'..In fact, this particular issue, we went to the government house trying to find a solution to this problem. [Company] manager flown in and he promised that they are going to replace all the old pipelines with new ones that spillage will not take place again [..] The man gave us*

assurance that there was not going to be spill again, we should relax and cooperate with them'. (GA, 27 Oct 2014, Mkpanak)

Similarly, another participant more specifically states that:

'Sometime last year, [company] did not respond to the issue of oil spillage for more than five years and there was a peaceful protest by the community for three days. The government tried to intervene on the matter. Within the three days of peaceful protest, all the groups in the community came up with an agreement that there would be no work for the oil company employees. It was successful in the first and second day. The governor of the state was brought into the matter'. (SE, 23 Sept 2014, Eket)

There is an indication of government involvement where necessary in the resolution of disputes. The state and local government play an active role in conflict resolution. The state government only intervenes where the crisis is beyond the ability of the local government to handle. The state government here refers to Akwa Ibom state, which controls the affairs of the local governments. The host communities are sceptical about the role of government in solving their problem because they believed that government will always act in favour of the MOC since a greater part of the revenue generated from oil extraction goes to the government (federal and state). They feel that the government is being political and careful in its dealings at the expense of the host communities. The political dimension of the conflict is closely related to the feelings of some host communities as being cheated as regards the benefits from oil exploration, land

disputes and corruption by those in authority. This participant reported how he feels his community is being cheated:

> *'.. the Eket Local Government area are the ones that are enjoying so much from (company). […] When it comes to sharing, they say Ibeno local government first, followed by Eket local government and the third position is Esit Eket before Onna. So that has been one of our problems because we the Esit Eket people would feel cheated because greater part of the land that [company] is using now is owned by the Esit Eket local government.. [...]The agitation is that we feel cheated because greater part of the land that [company] is using is owned by Esit Eket. [...] proper sharing should be based on the contributions of the different communities because for the sake of peace. [..] Most of these issues have been highly politicised'. (DA, 24 Oct 2014, Edo)*

The feeling of being cheated from an entitled benefit could explain why many of the communities revolt against one another and the MOC. This is also closely related to whoever is in government; it is believed that politicians would include the communities they come from to benefit more from the MOC than other communities. Apart from politics, the participants expressed their concern over the issue of corruption. The government officials who were mandated to intervene in the oil related contestation were perceived to be corrupt. They were accused of collecting money (bribe) from the MOC which affected the way the issues were handled and the decisions made. Their corrupt practices, therefore, increased the tensions by the youth of the communities. Corruption is therefore seen as contributing to the conflict as asserted by SE that:

'…In 1998 we stopped them [company workers] from going to work for two days, then they will look for a way to hear what we want to tell them and to find a solution to it. But recently the whole thing has been hijacked by the state government. [...] Such people are sometimes bribed with lots of money, and when they receive such money, the whole strategy will be destroyed. [..] They will give some money to the elders who will come and meet the youth saying that the government has intervened and so we should go and rest in our homes. That they would call for a meeting and dialogue on the issue and if anybody amongst that group accepts that money, that's the end. …'.(SE, 23 Sept 2014, Eket)

The statement above indicates that politics, as well as corruption, have triggered conflict in this region. The elders are being bribed by the MOC to prevent the youth from reacting as they used to and the state government is involved as well. Though the state government pretends to play the role of a mediator, they are seen to favour the MOC in the agreements reached. An alternative view is held by a participant who attributes the conflict to socioeconomic factors such as poverty, hunger and unemployment. This participant feels that poverty is as a result of the community being abandoned by the MOC leaving the people helpless and without alternative livelihoods. KA of Mkpanak expressed his feelings in this way:

'If you take some time and drive around this community you will find out that most people are very poor, I mean what they eat. I can count the number of people who can afford a meal. And you wonder how their

neighbours survive. When you count like ten houses, in a day [..] it is only one person that is working there. You may just count [..] there is one man who works there, that person can fend for the family.[…] The contribution of [company] to the survival of the community is less than 30%, at least to have food on your table on daily basis. [..] There are many people who are helpless in this community, and they need help. And nobody is helping them,[company] is just giving deaf ear. [..]that is why the youths are reacting'. (KA, 27 Oct 2014, Mkpanak)

There is a high level of unemployment in this community and the participant mentioned that the youth of the community needs the help of the MOC regarding jobs. Even though the problem of unemployment is not peculiar to this region but a national issue, the high rate of unemployment in this community as compared to other communities is questionable. The reaction of the youth, therefore, results from their feeling of helplessness and the need to attract help from the MOC. Unemployment and hunger are closely related because a person who has no means of livelihood will regularly go without food. Hunger will cause anger and other erratic behaviour. Another participant feels that the action of the youth was due to hunger as shown in the comment by HU:

'….you know this road blockage as at about ten years ago was very rampant, before you know it that [..] Eket/ Ibeno road will be blocked. At times it could be blocked there by the community youth for days, [..] even the youth at that time abused it, for instance anytime they feel hungry they would block the road '. (HU, 9 Oct 2014, Edo)

The road blocking strategy seems to be recurring in most of the discussions on conflicts between the MOC and the host communities. The communities feel that by blocking the roads and preventing the oil company workers from going to work, they will attend to their needs. The frequent nature of this method of display of grievance makes one to feel that this could be the most effective technique. This strategy was also mentioned in the focus groups. Participants of the focus groups from the three communities are of the view that the MOC hardly undertook any CSR practices from their conscious efforts without being forced to do so by the host communities. They attribute the incessant conflict in this region to the quest amongst locals for the right thing to be done for the communities. According to participants, the various conflicts recorded in the region are caused to draw the attention of the MOC to their needs. Participants from Mkpanak community said that they rarely achieve anything without agitation and fighting with the MOC as stated below:

> '*Our grand-fathers fought, they fought before this could happen and the light [pointing at light bulb] you see so, they fought for it, those people did not just wake up, it was a fight that led to the killing of people before we had what is seen now. The light is not even steady. As I told you already that before you get anything from those people [company] there must be violence, there must be road blocking there must be fighting and all those stuff[..], people that will consider the fate of the younger ones at heart.'(Focus group Mkpanak, 27th Oct 2014)*

It seems the hostile relationship between the host communities and the MOC has been a longstanding problem. Stating that their grandfathers fought before

they could achieve what is being credited to the MOC as part of their CSR initiative suggest that this has always been the trend. This makes one question if there could be a solution to the issue of conflicts in this region. The host communities use various means of violence to force the MOC to contribute to the welfare of their community. However, if the MOCs are forced to do something, the relevant action may not be appreciated. CSR action should be voluntary and proactive rather than responsive. The MOC is seen as not acting responsibly because most of their CSR initiates are involuntarily born out of compulsion and agitations from the host communities.

The participants also expressed concerns over the need for the MOC to consider recruiting more of the indigenes of this area rather than those from other areas/ ethnic groups. The host communities complain of the difficulties they encounter in getting employment in the MOC. They feel they are being neglected and left to suffer while other people from elsewhere benefit more from their resources. FG from Eket believes:

> *'..Ok, the conflict usually arise when we see that overtime it's just the Yorubas and Ibos that are being employed while the indigenes are neglected, a riot starts'. (FG, 17 Sept 2014, Eket)*

To emphasise the importance of this point, another participant asserts that the communities would have had fewer problems if more indigenes were recruited to work in the MOC. It seems as if the communities are not fairly treated on issues of employment. It could be argued that the MOC may have their criteria and requirements for certain positions and recruitment procedures which may

not be met by the host communities. This does not mean that a certain quota cannot be allocated to the communities. SE commented that:

> *'..The relationship has deteriorated to the level that it's even more difficult for an Eket man to gain employment into the company. An Eket man being an Eket man and an indigene can only go as far as being recruited as a contract staff in the company [..] rather when job opportunities come they decide to do the interview and recruitment [..] in Lagos and send the staff down. These have made the people not to have a cordial relationship with the company anymore, and it's giving us serious problems. [..] Instead of the presence of the multinational company being a blessing to us, it is becoming a curse'. (SE, 23 sept,2014, Eket)*

It appears from the statement above that the problem goes beyond unemployment to a feeling of marginalisation. It could also be understood that the indigene is not given a fair chance in the recruitment process of the MOC. Conducting interviews and recruitment in Lagos indicate that the host communities are not given equal opportunity for employment in the company. In reviewing the past and current disputes and conflicts in this region and from the evidence above, it can be understood that the issue of conflict is a long standing one. The host communities attribute the blocking of roads to prevent oil company workers from going to work and carrying of sticks and other weapons to the negative attitude of the MOC resulting in an unpleasant relationship between them. It can also be understood that the issue of laxity by MOC in response to oil spillage is a major cause of conflict. However, some of these conflicts were resolved through state government intervention and others

through compensation and dialogue with the MOC. Similarly, the conflict between two host communities could be attributed to the struggle for land ownership in order to benefit more from the MOC.

Finally, unemployment, poverty and hunger are identified as the root causes of the conflicts in this region. Due to factors associated with conflicts and incessant disputes especially between the host communities and the MOC as identified above, the host communities have perceived the MOC from a negative point of view and seeing their activities as being to their disadvantage rather than an advantage. They see the presence of the MOC in their land as a curse in disguise. Originally, the host communities envisaged that the discovery of oil on their land and the advent of the MOC were going to be a blessing to them, but the outcome is the direct opposite. The relationship has not been a cordial one, and this explains why the host communities are at loggerheads with the MOC. The next section considers the perception of the MOC by the host communities.

5.1.7 Perception of MOC by Host Communities

Considering the discussions from the previous sections and the need to clarify the nature of the relationship between the two groups, views of the host communities with regard to how they perceive the MOC were sought. It is expected that CSR should provide mutual benefit for both the corporation and the society. Drawing from the understanding of the host communities on what could be considered as socially responsible behaviour (see section 5.1.1), the

host communities expect fair treatment from the MOC. Though they could not specify what constitutes fair treatment, their views were in comparison to what is obtainable in other countries where oil is exploited and for that reason, they feel cheated. The host communities, therefore, perceive the MOC as treating them in an unfair manner as stated by DA:

> *'We are not enjoying the benefits of their activities for the past 44 years. Instead of their presence being a blessing it has rather become a curse to us. Our case should not be different from that of other countries that have crude oil. We want to feel more of their positive impact than the negative impact. This community should be seen as a small London' (DA, 24 Oct 2014, Edo)*

This implies that the MOC has operated long enough to make their impact felt in the host communities. Oil corporations, having been established and operation in this region for more than four decades, the host communities might be expected to enjoy more benefits from the MOC. This is an expression of disappointment in the MOC. The statement above suggests that the host communities had high expectations from the MOC to the extent that they want their community to be as developed as other big cities in the world. Therefore anything short of this is perceived to be an unfair treatment. These feeling are related to their initial expectations from the MOC as shown in the comment by FF:

> *'Initially, we were happy that [company] has come to our place to improve our living a standard like we hear in other places. We were happy that there would be plenty of money for us to do our businesses*

and send our children to school. And also [..] that we will enjoy good roads, water and have beautiful buildings too, but all these dreams have not come to pass. Our hopes have been shattered because we are suffering rather than enjoying as we should. [..] We do not even have good water to drink, the water looks like urine and it is [..] not safe for drinking. Even our rivers and streams are polluted with oil; I do not feel happy at all'. (FF, 8 Aug 2014, Mkpanak)

This suggests that their expectations from the MOC beyond improving the living standards of the people to giving them plenty of money to their businesses. They believe that MOCs in other parts of the world are living up to their expectations as regards social transformation of the cities where crude oil is discovered. However, the MOCs in their region are not doing same, and their living standards are not better than those who do not have oil on their land. This has caused the host communities to be unhappy with the MOC and is clearly stated by SE from Eket:

'…I want to say that we are not happy with (company) and the way they are treating us. There is no need of their being here and we are not feeling their impact. We expect them to do the things I had earlier mentioned (such as good road, water, schools, electricity and so on), or they should vacate our land'. (SE, 23 Sept 2014, Eket)

The statement above could be understood from a point of view of seeing their expectations as a right and an obligation that must be fulfilled by the MOC. Stating that they should provide what the communities need or vacate their land

indicates the extent to which they have power over the affairs of the MOC. There is an understanding from the perspective of the host communities that the CSR activities required of them is in exchange for their land that has been used for oil exploitation. This therefore implies that there is a perceived contractual relationship between the two parties which could be similar to that of a Psychological Contract. There seems to be a general view about MOC exploiting their host communities and at the long run neglecting their responsibilities. KA expresses concern over the attitude of multinational companies towards their host communities all over the world which normally results in some sort of crisis.

> *'There has always been a sort of fight, noise, quarrelling and disagreement between the oil company and the host communities. The issue between an oil company and the host community [..], I don't think it is secret anymore. All over the world, it is popularly known that [..] production companies are always [..] maltreating, marginalising host communities. And the communities maybe in their demonstration of freedom or right also result in [..] problems crisis. In some places you hear them making noise, mounting road blocks today, there is strike tomorrow; there is a riot there and stuff like that. And those things are still bound to continue since the oil communities do not want to [..]Oil companies are taking the community for granted these things are bound to continue..' (KA, 27 Oct 2014, Mkpanak)*

This respondent believes that the attitude of the MOC towards them is not unusual as this may be seen to operate in MOCs across the world. He feels that

the MOCs are taking the communities for granted by not doing what they ought to do. The participant below perceives the MOC as enjoying the patronage and support of the federal government which has made them neglect their responsibilities. The host communities believe that there are no strict regulations by the government on the operations of the MOCs, hence causing laxity in their responsibilities. For example, an instance in 2008 when the MOC planned to replace the pipes mostly of Edoho platform and the communities supported the idea and cooperated to make sure that the pipelines were changed in order to reduce oil spill, but in the long run the pipes were not changed. This was attributed to negligence on the part of the government and failure to ensure that the pipes were changed. The attitude of the government, therefore, contributes to the failed expectations at the expense of the host communities. According to HU:

> *'…As I rightly mentioned here that at times the government has to be blamed because at times the community will like to take up arms and so on to stop production until the multinationals do what they are supposed to do but the government will come up with their plan to make sure that there is no trouble. At times they will bring the police [..] So (company) can even give us time that they will do it and at the end of the day nothing will be done. [..]By the time government will tell (company) if you don't do this or that you don't have to operate again, they have the final say to back that up. But the community on their own has to agitate, [..] the government will say wait we are going to talk on your behalf, we are going to do something about it so that has been the problem'. (HU,9 Oct 2014, Edo)*

This suggests that the host communities perceive government intervention as biassed in favour of the MOC. The government is perceived as intervening only when the host communities are agitated against the MOC, but not to ensure that the right thing is done by the MOC. Therefore their initial expectations for positive outcomes have hardly been met.

We have explored the understanding of CSR from the perspective of the host communities and the kinds of CSR programmes expected from the MOC, their traditional means of livelihoods and the impact of oil extractive processes on those livelihoods. We have also reviewed the past and current disputes and conflict in the region and factors responsible for the conflicts. The conclusion that could be drawn is that the host communities perceive the MOC as unfair, disappointing and irresponsible. Their expression of dissatisfaction, unhappiness and unfair treatment from the MOC is based on their understanding of what should constitute a good CSR practice. Rather than get a positive outcome, there seems to be more negative outcome than initially expected which has been identified as one of the causes of conflicts. These feelings and expectations are closely related so as to believe that there is a contractual relationship between the host communities and the MOC.

Analysis so far suggests, therefore, that there is a relationship between the four themes. The negative perception of the MOC by the host community is identified as largely depending on the unmet expectations of the locals from the MOC with regard to CSR and the damaging impact of oil extractive activities on their traditional livelihoods. It is also established that the host community

understands CSR as something that should generally benefit them rather than harm. Also, conflict in this region is attributed to the loss of traditional livelihoods and unemployment which has increased their expectations of the MOC.

5.2 CSR and Community Expectations/Perceptions

As discussed in chapter 2, CSR in this research is understood to mean the expectation/ requirement/obligation that the firm will reduce its negative impact and increase its positive impact on society. CSR is founded on a strong recognition of the role of business as an active partner in the development of the world's decreasing and scarce resources (Jamali and Mirshak 2007). Participants in individual and focus group interviews understood CSR from different perspectives. As noted in chapter 5, CSR was summarised to mean fair treatment from the MOC, an obligation that has to be fulfilled, protecting the interest of the communities, improving their quality of life, reducing the negative impact of the oil extraction process on the communities and 'doing what is right'. All of these issues contribute to the shared meaning of the term social responsibility from the perspective of the host communities. The variation in opinion about CSR is not surprising as controversy concerning the proper meaning of the term makes it open to conflicting interpretation (Windsor 2001). This therefore suggests that the practice of CSR in the world of management practitioners is dependent on how the term is understood (Freeman and Hasnaoui 2011).

The underlying view point is that the MOC owed the community an obligation which is regarded as their responsibility towards the host communities. This

study confirms the proposition that CSR remains largely contested, and its conceptualisation tends to vary across disciplines and context (Dahlsrud 2008). The divergent interests of the society on CSR has equally contributed to its multiple conceptualizations (Moir 2001). So as Dahlsrud (2008) argues, as a socially constructed concept, CSR cannot be universally defined (see Chapter 2). Based on the variations of views about CSR, the expectations amongst the host communities varied greatly. In response to the research question on the respondents' expectations of the host communities, some were requesting financial benefits from the company, others want employment, some expect infrastructure, while some desire total control of oil resources, others saying 'give us contracts', some 'do it yourself', another group says 'let it be anything'. These different voices and demands can be summarised to reflect the nature of the relationship.

The relationship is that of anticipated valued outcome from the MOC in exchange for the oil extracted from their land. This is similar to an implied contractual relationship like that of a psychological contract. The host communities seem to depend on the MOC for social and economic benefits which they perceive as their entitlement. George et al. (2012) support this view by arguing that the frustration which is as a result of the inability of the multinational companies to live up to the expectations of the communities has resulted in youth restiveness in the NDR (see chapter 5). They also state that the demand for food, clothing, shelter, employment and infrastructural facilities by the host communities is part of their quest for a better life and an act of CSR by the multinational companies.

Chapter 6 demonstrated how the expectations of the host communities were underpinned by political, economic and social factors. The demand for infrastructure, resource control, employment, contracts and other benefits affirms the above classifications. The political aspects include government policy revenue allocation and resource control. Idemudia and Ite (2006b) identify Politics as one of the root causes of the Niger Delta crisis and the basis for increased expectation from the MOC. The authors explain that friction between the host communities and the MOC can be traced to deep-seated discontent with the government of Nigeria over political powers. The political factor is deeply rooted in the control of oil wealth. As noted in chapter 6, the federal government controls the oil revenue and subsequent distribution of such revenue, therefore; any ethnic group that is represented at the centre possesses the power to allocate such wealth to his people.

One of the contentious issues raised consistently in the community interviews was the issue of who owns the oil resources in the NDR, or, more specifically, who controls the oil? Participants expressed concern over their inability to control the oil resources extracted from their land because of their lack of adequate representation at the federal government level. The NDR is made up of ethnic minority groups which initially compromised/prevented the hope of ascending the political power of the country and the control of national revenue. Due to the above, issues of militancy, public protest, incessant conflicts and general insecurity arose from growing frustration, bitterness, a sense of powerlessness and a lack of any constructive opportunity or means of expressing their grievances (Idemudia and Ite 2006b). In most cases, these grievances are extended to the MOC who are perceived to have strong political

leverage and contacts with the government as also stated by Ako (2012). This increased the locals' expectations from the MOC. Although the desire to be politically in control of the oil resources came into reality as the former president of Nigeria, Dr Goodluck Ebele Jonathan, in 2011, became the first Nigeria president from the NDR since independence in 1960, this did not automatically change the situation due to high levels of corruption. As noted by Idemudia and Ite, issues of corruption and over-dependence on the three tiers of government (local, state and federal) on the centre heightened the disputes inherent in crude oil exploration and extraction (Idemudia and Ite 2006b).

In the previous chapter, it was mentioned that economically, the people of this region demonstrated how they feel cheated with regards to revenue received from the Federal government. This is what Idemudia and Ite (2006b) refer to as the political-economic nexus to the conflict as decisions about who gets what from the oil revenue depends on the political leaders. The participants compared what is applicable in other oil producing countries to what is happening in Nigeria. The Federal government is viewed as generating huge revenue from the oil exploitation and giving the communities little or nothing (Orogun 2010). This suggests the reason why there is so much pressure on the MOC with some local residents even requesting financial rewards as earlier noted. As discussed in chapter 5, the derivation formula, on which oil revenue allocation is based, makes it clear that the people of this region are prevented from adequately benefiting from their oil resources. The derivation formula is perceived to be unfair to the people of the NDR and a major cause of negative perception and increased expectation of the MOC. Aaron (2012a) refers to this as economic deprivation and social exclusion. On the social aspects, it has

been noted in the previous chapters that under-development, unemployment and poverty are the key issues to the host communities. These factors underpin the expectations of the host communities and explain why there are frequent disputes in this region.

The participants also expressed concerns over the level of under-development in the area despite the number of years the oil companies have operated in the region. The expectations of the communities regarding developments in this region have largely been unmet (Idemudia and Ite 2006a). Participants feel that the CSR initiative as regards improving their standard of living through the provision of basic infrastructural facilities has also not been fulfilled despite billions of dollars declared as profit by the MOC hence they are socially irresponsible (George and Kuye 2012). Regarding unemployment, the host communities expressed displeasure with the MOC about the manner in which recruitments are often being carried out in the company without concession to the indigenes of the host communities. Residents explain that most of the recruitments are usually advertised on the internet, which many local inhabitants do not have access to and would not, therefore, be aware. In some other cases, the host communities may not even be aware of the recruitment process until it is concluded. However, the MOC assert that the communities did not possess the requisite qualifications and skills needed for such positions. Despite this reason, a contrary view is held by the communities who feel that no youth in the host communities ought to be unemployed irrespective of educational or technical status. It is expected that as part of the MOC's CSR they should be responsible for the training and recruitment of the youth of the host communities. This would be sensible or even expected because CSR

entails actions being taken in response to the demands of influential stakeholders, especially those able to impact the company's social licence to operate (Trebeck 2008).

Poverty is an issue of serious concern to the people of this region. Participants in both individual and focus group interviews are of the opinion that an average member of the host community should not be poor, even if it means the MOC is distributing money (cash) to every member of the community. Poverty in the midst of huge natural resources that generates enormous amounts of foreign currency for the federal government was considered unacceptable (Idemudia 2009). Poverty is directly linked to unemployment as most unemployed people do not have the means of meeting their daily needs. The host communities feel that every member of their community should be out of poverty courtesy of the discovery of oil on their land. It is therefore seen as unfair to come from the Niger Delta and yet be poor. However, it sounds absurd to expect the MOC to give money to every member of the host community. It is therefore expected that the MOC should consider ways of creating jobs and other CSR initiatives that could alleviate poverty (Idemudia 2009).

The environmental factors focus issues with regard to soil, water and air pollution through oil spillage and gas flaring. Most of the participants complained of frequent oil spills and gas flaring in this region. Environmental pollution as a result of the oil spill has been a regular occurrence in this region (Aghalino 2009). The host communities accuse the MOC of not changing the pipes that were installed several decades ago which often contribute to the oil spills. They feel that changing the oil pipelines would be a huge cost to the

MOCs hence they kept promising to do so but have never implemented it. The host communities also accuse the federal government of negligence and lack of checks and balances by the regulatory bodies to monitor the affairs of the MOCs. As much as it is the responsibility of governments to provide infrastructure, others argue that the companies cannot be exonerated from responsibility for the destruction of their environment. However, it is the role of government to pass the necessary legislation for the protection of the environment. If this were done, issues of environmental protection would be legally defined, and erring companies could then be appropriately dealt with (this will be returned to in the final chapter). Ejumudo et al. (2012) assert that incorporating environmental related problems in the CSR agenda of MOCs would further reduce violence and conflicting situations.

From the discussion so far, it seems from the MOC's perspective that meeting the expectations of the host communities is not an option, but it is nevertheless a necessary evil if the MOC have to operate in a conducive and peaceful environment. The antagonistic attitude of the host communities has negatively affected the MOC and their profits. This suggests that meeting the expectations of the stakeholders could be a major determinant in meeting the expectations of the shareholders. This affirms the views of Goyder (2003) who suggests that firms should subscribe to what he calls 'conviction CSR' to ensure that they have a positive impact on the people, the natural world and the planet in addition to compliance with the law and fulfilling shareholders expectations. Similarly, it is clear that CSR cannot be effective without an inclusion of the society's values and expectations in corporations' operations as described by Griseri and Seppala (2010).

The MOCs are of the opinion that variation in community expectations makes it difficult for them to decide on the appropriate CSR initiatives to carry out in such communities. Within a community the different interest groups like the youth, women and chiefs would present different demands on what the MOC should do for the community. The opinion of the MOC as regards the CSR initiative is different as their approach is that of “one size fits all” and this does not yield positive outcomes. The use of terms such as “that is not our area of speciality” or “we are not into such projects” suggests that the company is focused on what they want to do for the communities as part of their CSR rather than what the communities are demanding. The argument here is that there should be a different approach to CSR practised by the MOC which should be based on an understanding and integration of community perceptions and needs assessment rather than company policies (see chapter 7). As suggested by Ako et al. (2009), the peculiarity of the area/terrain should determine ones CSR initiatives for it to be effective. Meeting such expectations would reinforce commitment on the part of the host communities and a cordial relationship which could also contribute to the survival of the firm (Idemudia and Ite 2006a). However, the MOCs have their perspectives which are considered in the next section.

5.3 Analysis of Data from the MOC

5.3.0 Introduction

This section presents the views, feelings and thoughts of the MOC. As mentioned in section 4.0, three participants from the MOC were interviewed.

The focus of analysis will be on their understanding of the concept of CSR, a review of CSR programmes and activities by the MOC, issues of conflicts/disputes with the host communities and their perception of the host communities. Information regarding these issues would give insights into the nature of the relationship that exist between the two groups (MOC and host communities) in this region.

5.3.1 Views of MOC about CSR

CSR is subject to multiple interpretation and viewpoints due to its multidisciplinary nature. Therefore it is not surprising that different terms could be used to describe the term CSR though the underlying principles appear to be the same. The MOC prefer to call it 'community investment' rather than CSR. According to AS:

> *'We don't like calling it corporate social responsibility; we prefer to call it ''community investment''. We hold our communities dear to our heart; we try as much as possible within our [..] core view to assisting. [..] So the government has that constitutional role, but we do a supportive, we play a supportive role in developing the communities'. (AS, 4 Aug 2014, MOC)*

The preference of the term 'Community Investment' instead of CSR could mean that the MOC only see things from a monetary point of view. Investments are usually undertaken for profit motives. Therefore the community investment as the MOC calls it, might be interpreted to be carried out with the expectation of a

worthwhile, profitable result. It could also be seen as a profit-oriented venture. The MOC insist that they are business, and corporate values have to be upheld, thereby ignoring the value of having a good quality of life lived in peaceful villages with their families and communities growing the things they need to sustain them. The emphasis on being business is captured by MA:

> '*.We are a business; we are not a charity, and we are not government…[..] ….our business is driven by funding from the Joint Venture, we cannot take over the duties of the government in order to gain the support of the communities'.(MA, 10 Aug 2014)*

This could be the reason why the MOC is unable to see the situation from the locals' points of view. To the MOC, community development is the duty of the government, which they merely support through community investment programmes. As a business corporation, the MOC considers their community investment initiatives as an assistant to the government because the company is not supposed to take over the duties of the government. This implies that the MOC's engagement in community investment initiatives is simply to support the government which is supposed to perform its constitutional role of providing for its citizens, the MOC, therefore, has limited responsibilities. Community investment is also seen as a way of improving the quality of the lives of its host communities. Despite their assertion, the host communities are saying the direct opposite in terms of improving their living standards. This creates something of a chasm between their viewpoints and makes it difficult for one to understand the reasons for this. It could either mean that the MOC is not doing enough to touch the lives of the people, or their community investment projects do not

satisfy the needs of the host communities. Community investment is thus perceived more from a philanthropic point of view than a responsibility. The company also engages in community investment in order to be seen as being socially responsible as stated by AS:

> *'…and we want to,[…..] we also want to be seen to be socially responsible'. (AS, 4 Aug 2014, MOC)*

This implies an afterthought and 'seen to be' implies perception rather than actuality. In other words, the MOC wants people to believe/think they are socially responsible by doing those things that could promote such image. In performing these supportive roles of community investments, the MOC has identified some crucial areas which are; education, health, capacity development and sports. The participant asserts that:

> *'.. We also have areas that are dear to us in our effort to develop the communities where we operate and number one is education; number two is health; then we talk about capacity development and in [..] area of sport'. (AS, 4 Aug 2014, MOC)*

Giving education a priority over health is questionable because it is logical that people should be healthy before thinking about education. This does not mean that education is not important, but we might question its priority. On capacity development, respondents explained this to include training and empowerment programs for the women and the youth. He also states that:

'..You know we have a revolving loan scheme, go borrow, repay, and then other people come in and borrow and do businesses and all of that in different areas, just imagine a particular business, poultry, bakery, snail farming and people frying hairs (saloon), [..] sewing clothes and all of those things, but you need to understand our people'.(AS, 4th Aug 2014)

The inclusion of sports as part of the efforts to develop the communities may not be necessary because investment in sports may not be seen as a developmental activity in the rural areas. This further explains why there is a divide between the ideas of CSR from the point of view of the MOC and that of the host communities. It could be understood from the statement that the emphasis here is on projects that are dear to the MOC rather than what could be considered as meeting the needs of the communities. Arguably, some of these projects may be needed by the host communities, but from the host communities' perspective, they seem to be imposed on them by the MOC. This may be because some of the projects do not have a positive impact on the host communities. The next section will, therefore, consider the CSR programmes/ projects and their impact on the host communities.

5.3.2 CSR Programmes carried out by MOC

The need to review the CSR programmes and activities by the MOC arises from the need to establish the impact of such projects on the host communities. Therefore the first thing to consider is who initiates the idea of such projects? When discussing decisions with regards to community investment programmes,

projects and activities, the participant said that there is reasonable input from the community on what should be done, though in other cases the MOC executes projects they feel will meet the needs of the host communities. He remarked that:

> *'We get requests from the community through letters like this [showing a letter] When we have meetings with the communities, requests can come from that meeting. We have a scheduled meeting with chairmen of communities tomorrow, [..] issues can come up, we need this we need that. So at that meeting, such issues we will take note, I'm not saying we will provide [..] They write formally, two, they make a request, thirdly, we live with the communities here; we also know some of the community's needs ourselves. Sometimes we sit back and say why we can't do this or that?..'. (AS, 4 Aug 2014, MOC)*

This statement confirms that the MOC organises meetings with the communities where their needs are discussed. At such meetings the communities present their most important necessities and the projects they would want the MOC to execute. However, the final decision on what is provided for the community is done by the MOC. Stating that the MOC only takes note of what the communities need and communicates to them at a future date on why they can/cannot carry out certain projects makes the meeting a mere formality. It could be argued that the input from the community does not really matter when the final decision regarding the projects executed by the MOC is not in line with the outcome of such meeting. This suggests a passive involvement of the host communities in decisions regarding community projects. An area of community

investment includes education through the award of scholarships to undergraduate students in various universities in Nigeria and scholarship for nursing students specifically for Akwa Ibom indigenes. AS states that:

> *'… A lot of investment in education [..] Annually 250 from Akwa Ibom State, that is about 50% [..] Because we are operating from here, this place becomes our operational community, so the NNPC /MPN community development budget must be felt where we operate from primarily.[..] we run scholarship for Akwa Ibom indigenes in the four schools of nursing in Akwa Ibom State [..]. We also run another programme at the Maritime Academy at Oron for those doing ND programme in some Maritime related courses about 50 of them every year [..]. Then we run…. just three four years ago we started scholarship programmes for secondary schools, taking people from public primary schools to private secondary schools, boarding.'. (AS, 4 Aug 2014, MOC)*

Investment in good education seems to be the priority of the MOC, and their focus on the host communities is commendable. But this is disputed by an indigene from Mkpanak community who says:

> *'I don't know how that is done since they cannot point, am a youth and I graduated from [..] and am not a beneficiary. None of my colleagues benefited that year, and I cannot point at anyone who has benefited in this community at this age up till now. So who?[..] We have been reading on paper that they've done something like that, I don't know how it is run. I cannot even mention one person who is a beneficiary or who is still*

benefiting from that scholarship. [..] (Company) has not given any scholarship to anyone in this community. Let them come and mention one.' (KA, 27 Oct 2014, Mkpanak)

From the assertion by KA, the MOC is accused of making false claims regarding their investment in education. The participant, who is a graduate of 30-39 years, says he cannot point at anybody from his community who has benefitted from the scholarship programme. It is an indictment to state that there is nobody known to him that has benefited up till his age but rather reading on paper that the MOC has undertaken investment in this regard. He also explained that as a youth in a small community like theirs, they know each other so well that such investment would have been known to most of the community members. This may be because the host community is seen as always opposing the MOC and would hardly say anything good about them. For example, giving them scholarship may not be the immediate needs of the community, which makes such investment unappreciated by the host communities. Another area of community investment is on health care. A participant from the MOC states that:

'…As we speak, there are free mobile medical services in all the 31 local governments of the state. We started with the immediate communities here, so we are doing that. Currently we are in Ikono, last week we were in Uni, today we are in Ikono, five days a week. Next Monday we are gonna be in Obot Akara, the other one at Ikot Ekpene, [..] like that throughout the entire…, we are going to be treating people free-of-charge [..] in the entire state. We also do a lot of things in the area of

health, rebuild some Health Centre, and equip some Health Centre not all' (AS, 4 Aug 2014, MOC)

This suggests that investment in health care are threefold; provision of free medical services, rebuilding health centres and equipment of health centres. Unlike the investment in education that was out-rightly disputed by the participant from the host community, that of health was affirmed by JE from Mkpanak community but complained that the right persons (those really sick) could not benefit from their services. The participant explained the inefficiency with which such programmes were carried out which made little or no impact to those who needed such help most. She states that;

'..Free medical services, I know [..] that there were free medical services sponsored by [company] but it wasn't enough. People that were sick were not opportune to get to that place. Imagine the whole of this community and the whole of Ibeno, the other side of Ibeno, Upenekang coming out, you know! For a particular thing, you see that people will be crowded, and you see that those that are really sick may not get to those medical services. It is the youth, people that are strong; that can struggle in the crowd that will really get in there'. (JE, 27 Oct 2014, Mkpanak)

However, another participant from the host community disagrees with regards to rebuilding and equipping of health centres

'Even in health care, where is the clinic? The only clinic we have here is a private clinic, which is along the road and [..] the second one is the

government clinic. Which one has [company] built?. Or even equipped?..' (KA, 27 Oct 2014, Mkpanak)

This suggests that the opinion of the participants from the host communities differ with regards to the MOC's investment on health. While some locals agree that such programmes exist, others complain that they are insufficient. It would seem that such initiatives may have been carried out in some of the host communities and not in others. It could also mean that the projects executed by the MOC are not evenly distributed. The same opinion is held by the host communities with regard to the MOC's acclaimed investment in sports. The MOC declared that they have invested in sports activities every year since 2001 for athletic championships. According to them, the programme is for all secondary schools in the state to encourage young people who may be interested in athletics and sports in future. This view is disputed by a participant from the host community who states that;

'..Maybe when the youth plays football you (MOC) go and stand on the field and snap pictures and say [company] has sponsored a tournament. Is that development, who are they deceiving?' (KA, 27 Oct 2014, Mkpanak)

He sees the MOC as deceiving people through their publications because most of the things they write are not what is actually on the ground. Though investment in sports is not seen as important because there are other more fundamental needs than sports, proper investment in sports would be building a stadium, providing training facilities, changing rooms, equipment, spotlights, etc.

Though there are variations in opinions amongst the participants from host communities, most of the CSR initiatives (community investment) have been questioned by participants. Some argue on the basis of not doing it the right way and others outright denial of the existence of such projects. This indicates the disagreements that exist between the MOC and the host communities. Whereas the MOC feel they have done so much and deserve to be commended for their efforts, the host communities feel they are being manipulated for selfish purposes. The host communities feel that most of the projects the MOC claim to be carrying out may not be what they need but a way of manipulating them in order to continue to operate. The approach to community investment does not seem to yield the right result for the MOC because it is perceived by the host communities as a means to an end which is not based on sincere intentions. The host communities feel that the MOC's investment initiatives are pure to secure the license to operate and continuous survival. These disagreements and counter views of both parties may be partly responsible for the continuous conflicts in this region. The next section will consider the MOC's views on past and current disputes in their operational area.

5.3.3 Issues of Conflicts/ Disputes with the Host Communities

From the perspective of the MOC, most conflicts/disputes are as a result of failed expectations and disagreement between the two parties. In some cases disputes are predictable and in other cases, they evolve over time. Participants from the MOC affirm that there have been disputes between them and the host communities which MOCs say are inevitable because in dealing with a group of communities, there are bound to be disagreements. These disputes occur in

forms of blocking the roads, carrying placards for peaceful demonstrations and at other times, more violent acts where lives and properties could be destroyed. Instance of disputes are as stated by an employee of the MOC:

> *'… There have been several disputes with the communities around us; there have been instances where they block the roads to prevent us from going to work. Ehmm, there was a time the community members even had to spend up to 2 months at the airstrip preventing (company) workers from going to work. [..]They even burnt down some houses some time ago saying that (company) should stop operation in this place. Most of the time they block the road until their grievances are addressed or they are called for a meeting to iron out their differences with the company. ..'. (NP, 11 Aug 2014, MOC)*

It appears most of the conflicts with the MOC are to attract their attention to the communities' needs and to initiate a dialogue. The recurring nature of such conflicts gives an impression that this seems to be the only approach that yields positive results for the host communities. While the host communities attribute the disputes to socioeconomic and environmental factors, the MOC attribute it to the high expectations of the host communities which they are unable to meet. The MOC feels that the host communities see them as the solution to all their problems, and when they are unable to meet those needs it results in disputes. This therefore makes disputes predictable because the MOC can hardly meet the high expectations of the host communities. To the MOC their expectations are unrealistic as stated:

‘ .. As for the issue of dispute, it is very healthy, it is [..] very simple [..] but I can tell you what they will tell you…. they will not like us, [..] because the dispute is just simple, it is the difference between expectation and what we can provide. The problem is the disconnect between the expectation and the reality. That is all, [..] that’s the cause of the friction, nothing else’. (AS, 4 Aug 2014, MOC)

It would seem that the issue of disputes in this region is not taken seriously by the MOC that is why it is seen as being healthy. Disputes are no longer strange and are sometimes anticipated by the MOC. The MOC feel that conflict has become a way of life of the host communities due to its incessant nature. This suggests that the MOC seem to look at disputes from a trivial point of view, especially when it does not involve the loss of lives. However, the host communities seem to take such matters very seriously. Camping at the airstrip for up to two months and preventing the company workers from going to work indicates how serious they feel about their action. They do not seem to be doing so out of pleasure but are forced to because they have no alternative. While the host communities feel that the MOC is acting in an irresponsible manner by not attending to their needs, the MOC, on the other hand, feels that the host communities are being inconsiderate and too overbearing in their demands. These different viewpoints and perceptions could be used to explain the nature of their relationship. The next section will consider how the MOC perceive the host communities.

5.3.4 Perception of the Host Communities by MOC

Previous discussions on the data obtained from the MOC have revealed that the issue of CSR is not new to the MOC. Though it is called community investment, the MOC has enumerated the areas where they have been involved in some sort of social responsibilities which include education, sports, health care and capacity building. The MOC has also agreed that there have been issues of disputes and conflicts in the past and the present. It could also be noted that the MOC handles issues of disputes/ conflict with laxity because it is seen as part of their daily lives and cannot be avoided. Though the host communities use disputes as a means of compelling the MOC to listen to and solve their problems, the MOC feels that the host communities are ungrateful and expecting too much from them. This has affected the perception of the host communities and their attitude towards them as shown in the comment by NP:

> *'…They are always complaining about the company even if we do everything for them, they will still complain. Ehmm, see [pointing outside the office] they have road and other facilities provided for them, yet they are still complaining. They don't seem to be satisfied with whatever is done for them. Most of the problem is with regard to [company] activities here. Since [company] came here the community members always think that [..] [Company] should be sharing money to them every month; they want to transfer all their problems to us'. (NP, 11th Aug 2014, MOC)*

From the statement above, the host communities are seen as having infinite demands. This implies that the host communities are never satisfied with what

the MOC can provide for them. The host communities are considered to be too high and unreasonable in their expectations from the company without bothering about the role of the government. They expressed concerns over the host communities' believing that they will do everything for them and even distribute money to them. This could be argued in the sense that the host communities may be compelled to act in this manner due to the negative effects of oil extractive activities on their livelihoods as discussed in section 5.1.4. Another respondent from the MOC feels that increase in demand could lead to the company folding-up if not properly handled. MA feels that:

> *'.. The expectations from the communities are far higher than we can meet, and so they feel we have not done anything. No matter what the company does they will always say [company] has not done anything for us. We have tried our best, and that's it. If we are not careful [company] will fold up due to too many demands from the communities'. (MA, 10 Oct 2014, MOC)*

Having performed their statutory duties of paying their taxes, the MOC feels that the host communities should be more concerned about government's obligation to them rather than place their emphasis on the oil company. The MOC feels that the taxes they pay to the government should be used in providing the host communities with their basic needs and MOCs should not be expected them to do more. This could be interpreted to mean that some of the communities' demands are not the MOC's problem but should be directed to the government.

'..The people should be more concerned about the presence of the government in providing them with social amenities rather than place all the emphasis on the company'. (MA, 10 Aug 2014, MOC)

Emphasising tax payment and the need for the host communities to channel their problems to the right quarters (government), another participant from the MOC reiterate that they are not the government and are not meant to take over the responsibilities of the government. It could be understood here that the expectations of the host communities and their demands could only be met by the government. This implies that being a business organisation, such outrageous demands could affect their profit and could cause the business to fail. AS said that:

'… I keep repeating, it's very important for the message, we can't be government, we are not government, [..] government will not come and say we've not paid tax which is our obligation to the government, I mentioned that tax issue very important, it's like, it pains us when we see the kind of taxes we pay here and we end up driving on this wonderful road [being sarcastic]… much of that money goes to the government by way of petroleum profit tax[..]Then the second one is called [..] royalty tax'. (AS, 4 Aug 2014, MOC)

Arguing over the issue of responsibility and the role of the government, a participant from the host community is of the opinion that the obligation of the

government should not interfere with their responsibilities as MOC, he states that:

> *'Leave the state government alone, the state government should do its own, [company] should also do its own. Let us leave the 13% derivation that has nothing to do with [company], we want to benefit directly from the operations of [company]. Whether 13% is paid or not, it has nothing to do with [company] that is the law of this land, law of this country. The taxes they pay has nothing to do with their social responsibilities to the people, so let them face their own and leave government alone'. (PE, 18 Sept 2014, Eket)*

It is perhaps unsurprising that the views of the host communities are quite different from those of the MOC. Whereas the MOC feel the host communities should be concerned about the role of the government in solving their problems, the host communities feel that the responsibilities of the MOC should be an additional benefit to them not minding what the government does. The host communities do not see any duplication of functions as implied by the MOC. Apart from direct involvement by the state and federal government, the MOC feel that the host communities should also be interested in the activities of Niger Delta Development Commission (NDDC) in order to strike a balance. AS commented that:

> *'..You know NDDC, go and check the Act, it was set up to develop Niger Delta, see how developed, Niger Delta has turned to London (being sarcastic) this is because of NDDC operations, [..] It is a statutory*

requirement 3% of our annual budget must go to the NDDC[..] We have contributed over a 100 billion naira to NDDC since its inception, over a…, if I ask, this is, this is early August, and we have paid our June contribution, [..] So when they say [..] has not done this has not done this, has not done this, they've been here for so so number of years, the [company] drum they are going to beat from the beginning to the end. [..] so you chip in, what of government? You have to ask, that way you are going to have a balance. What of NDDC?' (AS, 4 Aug 2014, NDDC)

Here, NDDC has been identified as a crucial area for the resolution of the host communities' problems. Identifying some other group as a possible solution to the problems of the host communities does not justify their actions. The MOC, therefore, perceive the host communities as being irrational in their relationship with them, while exonerating NDDC that was legitimately established to cater for their needs. From the evidence above, it can be understood that the MOC feel that the host communities do not appreciate their effort in community investment in various sectors as discussed in section 5.2. The disagreements and conflicts over the years are associated with failed expectations which are regarded as too high for the MOC to meet. The MOC also attribute the high tax rate as one of the reasons they cannot meet the demands of the host communities hence the need for the host communities to approach the government and NDDC to solve all their problems. It is observed from those above that just as the host communities express disappointment over the attitude of the MOC, the MOC, on the other hand, is not pleased with the host communities. The essence of considering the perceptions from both points of view is to justify the purpose of including a Federal Government parastatal

(NDDC) in the study. The next section considers an exploration of underpinnings of psychological contract between the MOCs and their host communities.

5.4 Underpinnings of Psychological Contract between the MOC and the Host Communities

Having explored the view points from the perspective of the host communities, the MOC and NDDC, it is established that most of the excerpts point to an implied contractual relationship between the host communities and the MOC which could be likened to a psychological contract. The mutual expectations as earlier identified suggest possible reasons for their actions.

According to Psychological Contract theory (see chapter 2) both employer and employee have strong expectations of each other, and both parties have a chance to gain from continuing collaboration. In other words, there is an obligation of one from the other, which in implied. The analysis so far suggests that there is a close interaction between the host communities, the MOC and the NDDC. The MOC plays a vital role in providing funds to NDDC for the execution of projects for the benefit of the host communities. However, there seems to be a greater expectation from the MOC than NDDC from the host communities. The analysis also reveals that the actions of the host communities towards the MOC indicate a perceived contractual relationship between them. The host communities believe that they have a contractual relationship with the MOC which is comparable to a marriage contract. PE commented that:

'..Leave the state government alone; the state government should do its own, [company] should also do its own. Let us leave the 13% derivation which has nothing to do with [company], we want to benefit directly from the operations of [company]. […]. The relationship between the oil company and the community is like that of a marriage contract between a husband and a wife. The wife should look at what she can do to improve the marriage, and the husband too should look at what he can do to improve the marriage. Let [company] equip us so that we can also help [company] to grow'. (PE, 18 Sept 2014, Eket)

The expression above indicates that the host communities believe that there is a bond between the two groups which cannot be wished away easily. They believe that the success (growth) or otherwise of the MOC depends on the way they handle their affairs with the host communities. It could be argued that likening the relationship to that of a marriage contract may not be right because, in a marriage contract, there is a written agreement signed by both parties which are not the same in this case. However, the idea of a contractual relationship seems to exist in the minds of the host communities, and they hold such views very strongly. The contractual relationship is further compared to mutual understanding and compensation for the use of their land. This could be associated with the idea of a psychological contract (PC) and the notion of a reciprocal performance. PC address individuals' beliefs regarding shared obligations in a relationship between employees and organisations. It is concerned with mutual expectations of inputs and outcomes. In PC contributions and benefits from and to each other are considered.

The host communities expect a reasonable return in exchange for their land. It is believed that even the government cannot take over the land of the people and cause them to move to other places without adequate compensation. There is an indication that the request for compensation is due to the adverse effect of the activities of MOC. The multinationals are expected to pay some money as compensation which should be used strictly for the purpose of providing for the farmers and fishermen whose livelihoods have been negatively affected by their activities. It is the opinion of the host communities that the company has a responsibility to live up to its expectations. This is seen as a right and not a privilege. The host communities believe that the MOC has a duty to respond to their demands. MM of Edo community states that:

> *'Whenever the community stands out to demand their right, I believe that the oil company should comply. […]. Within the three days of peaceful protest, all the groups in the community came up with an agreement that there would be no work for the oil company employee. [..] Apart from the money for compensation, the multinationals should look for other ways of assisting the host communities like what is happening in other parts of the world'. (MM, 19 sept, 2014, Edo)*

This suggests that the host communities perceive their requests to the MOC as a right. Their prompt response to the issues of compensation and oil spillage is seen as their entitlement. The host communities believe that inability of the company to act as expected of them amounts to a breach of contract which usually results in protests. Though there may be no written agreement, verbal

pronouncements during meetings on what the MOC would do for the community is legally binding. As earlier discussed in section 5.2.2, the MOC has regular meetings with the host communities on the projects to be executed in their communities which may be written down. Some of the participants call it the local content law/agreement which states those things the MOC would do for the communities. The local content law affects all the host communities but differs from community to community-based on their needs.

However, in discussing the relationship between the host communities and the MOCs at the focus groups level, it was discovered that the participants across the communities expected different things from the MOC. Their expectations were linked to the fact that they have provided the land on which the MOCs are drilling oil and making a profit and therefore they needed their benefits which were interpreted as good behaviour. They understood their relationship from a mutual point of view of give and take. They felt that the attitude of the MOC towards them determines their reciprocal behaviour. For example, a participant from Edo (FG) states that:

> *'Our community needs to benefit more than whatever they seem to be doing now. We are stakeholders [..] and they owe us the duty to provide those things that will make us happy. If we are not happy, they will not be happy too. They have to behave well towards us so that we can relate well with them too' (FG Edo, 26th Aug. 2014)*

This assertion was also upheld by participants in Eket who felt that the obligation of the MOC towards them is because they are operating on their land, they, therefore, needed valuable outcome as stated below:

> *'As long as [company] is residing at Eket, they have every obligation to make sure they fit into the community incentives. They have to do what we want because this land belongs to us'. (Focus group Eket,23rd Sept 2014)*

This sort of relationship would imply that there are rights and responsibilities for both parties. Stating that the MOCs have to do what the community wants implies a right on the part of the host communities and responsibility on that of the MOC. A similar idea was shared by the participants of the focus group in Edo who assert that:

> *'We cannot stop; we will continue to ask for more from [company]. They should leave our land if they are not prepared to meet our demands. We are not on their land, but they are operation on ours so they owe us a lot. As long as they still operate here, they have to attend to our needs'. (Focus group Edo, 26th August 2014)*

It is assumed that the MOC ought to respond to the demands of the communities because it benefits from the resources of the community. The fundamental assumption as deduced from the focus group discussions with the host communities seems to be that the MOCs are perceived negatively because of their inability to live up to the expectations of the host communities in fulfilling

their obligations. From their point of view, there ought to be mutual benefits from both parties. The implication of this finding is that there is a reciprocal expectation from both groups. The hostile attitude of the host communities towards the MOC is a reaction to what they perceive as a breach of contract. This therefore suggests that there is an implicit contractual relationship between both parties for mutual advantage. Since such association is not written down as obtainable in many forms of agreement, this could be likened to that of a psychological contract.

The actions of the host communities towards the MOC imply that a breach of such agreement is unacceptable. The frequent dispute in this region points to the determination of the host communities to fight for what they feel rightly belongs to them. The participant below affirms that their relationship with the MOC cannot be smooth if the MOC continues to take the host communities for granted and refuse to fulfil their promise.

> *'..Oil companies are taking the community for granted these things [conflicts] are bound to continue and [..] the relationship is not very smooth. It is causing a serious problem [..] And the little that the community knows even when there is an agreement between the community and the company, the agreement is not put into action. They may have a meeting today and [..] [..] settle on something [.] At the end of the day you will realize that the company will not do what they promised to do or what they agreed in a meeting or in the MOU so the company is always failing on their own part to satisfy the community'.(KA, 27 Oct 2014, Mkpanak)*

To understand the relationship between the MOC and the host communities with regard to CSR and to establish the existence of a quasi-contractual relationship between the two parties, the research has explored the views of the host communities about what they regard as CSR as well as those projects and programmes that could be considered as effective contribution to CSR. The research has also identified the traditional means of livelihoods of the host communities before the discovery and exploration of oil and the negative effect of oil extractive processes on them. About the negative impact of oil extraction activities, the issues of conflict and disputes have been identified as a resultant effect. Furthermore, other factors associated with conflict in this region have been considered. The analysis has allowed one to explore and identify the perception of the MOC by the host communities which is closely related to their failed expectations and the need for a more cordial relationship. These views are only limited to the host communities based on their experience.

From the perspective of the MOC, Community investment programmes and activities undertaken by the MOC have been explored. The analysis has also confirmed that there have been disputes and agitations from the host communities over the years and in recent times. Though this may be seen as a normal thing, the MOC attribute such conflicts and disputes to the insatiable demands of the host communities and as such having no end because it would be impossible for them to meet the expectations of the host communities. The analysis has also explored how the MOC perceives the host communities as being too high-handed in their demands and ungrateful. Finally, the analysis has established that the NDDC performs a complementary role in community

development, of which they sometimes seek the consent of the community in the selection and decisions of the projects. NDDC is also involved in conflict resolution in this region though this is limited to the conflict between their contractors and the communities.

Given the above, the interviews with the host communities imply they believe that they have a contractual relationship with the MOC. This is expressed in their continued emphasis on their land being taken away from them and that the MOC is having an obligation towards them which cannot be compromised. The host communities demand valued outcome in exchange for their land. This can be argued in the sense that the Land use laws of Nigeria state that, all lands belong to the state government and all mineral resources to the federal government. The host communities are not in doubt of this but still argue that they may not be the 'owners', but the custodians of the land and therefore whatever happens on the land affects them directly and not the state or the federal government. They also see CSR as a requirement from the MOC no matter how much they claim to be paying to the government in the form of taxes. They believe that the MOC must be responsible for its actions and live up to its expectations. The reason for the lack of peace and continuous disagreement could be explained from the point of distrust and shattered hopes. Since there is no written agreement, the relationship between the host communities and the MOC could best be understood from a psychological contract perspective.

The contractual relationship between the host communities and the MOC could be likened to that of a psychological contract (PC). PC is used in describing

mutual exchanges between employees and their organisation. In the process of recruitment of employees, there is evidence of the signed agreement to work for an organisation. Apart from the signed documents that specify the role of the employee and the duties of the employer, the employer and the employee engage in exchanges in which each party reciprocates the other's contributions. Accordingly, when the employer does not fulfil her promises and obligations, the employee reciprocates by altering his or her efforts and performance to the organisation. Therefore, PC breach is expected to negatively affect employee job performance. The relationship between the host community and the MOC could be considered from a perspective of moral obligation. Employee perceptions about employment expectations and obligations depend on the cultural norms and values which define an individual's PC with the organisation. In the same way, the cultural norms and values of the host communities as regards land ownership and failed expectations of mutual benefit to be derived from that place and subsequent conflicts can be used to describe the negative consequences of perceived breach of contract.

If these views are aggregated, the conclusion that could be drawn is that the host communities understand CSR to include morality, integrity and being able to live up to expectations. CSR is not viewed from a philanthropic but rather from an ethical point of view, an obligation and the right thing to do. The host communities have identified themselves as stakeholders in the affairs of the MOC which can affect their operations (positively or negatively). The expectations and obligations from and to each party suggest that there is an implicit contractual relationship. Since there is no written agreement between the host communities and the MOC, therefore the relationship could be likened

to a psychological contract. This suggests a relationship between the stakeholder theory and PC theory; the stakeholder theory considers the fiduciary responsibility of the corporation to its stakeholders, while PC theory studies the expectations and obligation of the employer to its employee and vice versa. The next section considers the relationship between PC and CSR

5.5 Psychological Contract and CSR

As discussed in section 2.3, a psychological contract is a conceptual representation of the relationship between an employer and its employees with regard to a reciprocal obligation (Rousseau 2004). The fundamental idea in a psychological contract (PC) is that there is an expectation of valued outcome in exchange for something, even if all the expectations may not necessarily be met at stipulated times. Just as a PC is perceived in the mind of the employee towards his or her employer, findings from this study show that a similar view is held by the host communities towards the MOCs. The host communities expect to benefit from the MOC through the provision of a better standard of living, good infrastructural facilities, job opportunities and more money in their pockets by oil exploitation on their land. On the other hand, the MOC expect a cooperative attitude from the host communities and a conducive operational environment in exchange for their CSR initiatives. These mutual expectations of input and output are similar to that of a PC (Raulapati et al. 2010).

While the host communities are complaining that they are not benefiting as much as they ought to from the oil companies, the MOCs also expect a more positive attitude from the host communities and that they should be commended

for their efforts. This further explains the relationships that exist between the two groups. It is argued by (Niehoff and Paul 2001) that the violation of a Psychological Contract can damage employees' positive attitude which could result in aggressive behaviour and sabotage. PC is exemplified in the action of the host communities whose constant conflict with the MOC is attributed to a bridge of contract. This kind of relationship of expecting mutual benefit occurs in a psychological contract which does not seem to be fully operational. This therefore represents what could be called "Communal PC" in this specific context. Unlike the original conceptual description of PC, where mutual benefit is expected between an individual (employee) and his/her employer, the communal PC considers mutual expectation of a larger group (community) from the MOC.

Another important concept that was explored in understanding the relationship between the host communities and the MOC was that of responsibility. The respondents seem to use responsibility to mean the same thing as CSR. Responsibility specifically connotes a moral obligation to behave correctly towards or in respect of something. Such obligation is not limited to a particular person or group of people. While some participants used the term "responsibility" specifically, others used words/ phrases like "ought to", "duty", "have to" and "should" to describe what they considered an act of responsibility (CSR) of the MOCs towards them. Members of the host communities expect the MOCs to employ their youths, provide good water, good roads, build schools and pay compensation for the destruction of their land and water and lots more (Ako et al. 2009).

However, they do not consider themselves as having any reciprocal responsibility towards the MOCs. Their attitude of blocking the roads, the airstrip and the entrance to the MOC's administrative office is perceived as a reaction to what they consider "irresponsible behaviour" of the MOCs rather than an act of irresponsibility on their part. Considering their status as stakeholders which are described by Freeman and Evan (1990) as those who benefit from the corporation or are harmed by its actions and whose rights may be violated or respected by corporate action, the host communities feel that the MOCs have an obligation towards them. Hence, the MOCs take oil from their land and so they should give something useful back to the community in the form of exercising their social responsibility (Eweje 2007).

On the other hand, the MOCs expect the host communities to be more responsible in their attitude. The findings show that the MOCs have made considerable efforts to meet the needs of the host communities through various CSR initiatives (as discussed in chapter 5). Though some have been acknowledged, others have been criticised. The argument here is that responsibility should be considered as reciprocal and thereby similar to the notion contained within the concept of a PC. The issue of responsibility, therefore, dominates any discussion on CSR because it is part of the definition. Whether the responsibility involves the society or an individual, what readily comes to mind is a responsibility to whom? Or being responsible for something (Votaw 1973). Responsibility cannot be established without a relationship. Hence a relationship must exist for responsibility to exist. In the case of the Niger Delta, the MOCs have a relationship with the host communities due to constant daily interactions as they operate within the communities. This

relationship is what Idemudia (2010b) refers to as corporate-community relations which make organisations responsible to communities. Such responsibilities are expected to be mutual as both parties have their different roles to play in order to foster a good relationship. In a situation where one party perceives the other as not being responsible, the relationship is bound to be unfriendly (Ako et al. 2009) because it will be perceived as a breach of promise (whether implicit or explicit).

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Bowen (1953) may be right to interpret corporate responsibility in the light of philanthropy in the sense that most CSR initiatives are voluntary. But most of the people in the NDR do not subscribe to such notional limits of corporate responsibility. For those in the host communities, such interpretations of CSR do not apply to them because they consider the CSR initiatives an obligation that must be fulfilled. On the other hand, Davis (1960) and Frederick (1960) dismissed the philanthropic approach to CSR. This sharply contrasting to the attitude of the MOC is due to the conviction amongst the host communities that since the company is exploiting oil from their land, it owes them something in return as a matter of responsibility. There is, therefore, a fundamental difference in the premise of the argument of the company and that of the host communities. While on one hand the company believes that it should decide how much and in what form to give out what it considers as philanthropic gifts to the communities, the communities believe that they deserve more from the company because what is being offered to them already belongs to them. So communities see what companies give as their ‘rights’ and what is due to them rather than a kindly philanthropic gesture on behalf of benevolent companies above and beyond their obligations.

This explains why any attempt to use CSR as a strategic solution to the crisis will amount to operating on the wrong premise. Under such circumstances, CSR will rarely achieve its desired positive impact. For the vast majority, CSR may not be legally binding, but it is a moral and social requirement for any company operating in the NDR. It gives the company, not only the obligation to provide infrastructure, but also the social license to operate. Schwartz and Carroll (2003) assert that organisations have a responsibility towards each stakeholder which consists of economic, ethical and legal responsibilities and which they identify as being the concern of both primary and secondary stakeholders. These domains of the approach to CSR are also identified as the concerns of the host communities in this research. The host communities desire economic gain from the MOC, legal commitment to live up to their expectations as well as demanding ethical consideration in their practices in order to reduce the negative impact of oil exploitation on their environment. The argument here is that CSR should be considered from a PC perspective based on a reciprocal relationship and mutual expectations.

The way an employee anticipates valued outcome in exchange for his/her skills, knowledge, hard work, dedication or service to the employer as contained in a PC, is the same way the host communities feel towards the MOC. The host communities anticipate valued outcome in the form of providing basic social amenities, job creation and a better standard of living from the MOC in exchange for their land on which oil is being exploited. It is argued that understanding CSR from a PC perspective would improve the relationship between the MOC and their host communities. The relationship between the

concepts of PC and CSR as highlighted in this thesis has not been previously recognised in the literature and therefore this thesis is contributory in generating a deeper understanding of the MOC-community relationship in Nigeria. In a PC the relationship between the employer and the employee is considered at a micro-meso level, this thesis considers such relationships at a meso-macro level (two groups). The analysis and interpretation of the view points and perceptions of the oil companies amongst the host communities and vice versa has contributed to a better understanding of the situation in the NDR which could lead to positive outcomes if applied appropriately.

5.6 Conclusion

This chapter has presented an analysis of primary data from the perspective of both the host communities and the MOC. It has considered the different view-points regarding the perceptions and expectations of the host communities from the MOCs as well as that of their host communities. From the analysis it has been established that the host communities are aware of issues regarding CSR and what the MOCs are expected to do. On the other hand, the MOC assert that they have been undertaking several CSR initiatives in their host communities. However, the negative impacts of oil extractive activities on the local communities have triggered conflict and constant dissatisfaction of the host communities with the MOC which has resulted in negative reactions. The divergent views of reciprocal expectations have been likened to what is applicable in a psychological contract hence contributory to explaining corporate-community relations in this region. Having completed the analysis of

data obtained through semi-structured interviews and focus groups conducted from the host communities and the MOC, the next chapter will comprise of a discussion of findings in relation to the literature incorporating secondary sources of data to explore the relationship between the MOC and the community with regards to CSR.

CHAPTER 6

CSR AND CORPORATE-COMMUNITY RELATIONS CONFLICT

6.0 Introduction

Having analysed the primary sources of data and the different viewpoints on issues surrounding CSR in the Niger Delta region (NDR) in chapter 5, this chapter will consider some of the secondary sources of data in order to compare its findings with that of the primary sources for a better understanding of what is happening in this area and to make the study more robust. In the process of collecting primary data through individual semi-structured interviews, some participants provided secondary sources of data. The data was obtained from the multinational oil company (MOC) and the Niger Delta Development Commission (NDDC) to support their views regarding the research topic. These secondary sources include; published annual reports, the company's magazine on CSR activities in the region and periodicals from the MOC and NDDC.

In order to understand the relationship between the MOC and the host communities with regard to CSR, this chapter addresses the research questions regarding the expectations of host communities of multinational oil companies operating in the Niger Delta and why there are frequent disputes or conflicts between MOCs and the host communities. The chapter draws on a data set comprising interviews and document analysis to assess the sources of disputes, perception and expectation among the communities in their relationship with Mobil Producing Nigeria (MPN). It also considers the CSR activities undertaken

by MPN in their host communities. The rationale is that a thorough understanding of the sources of disputes and CSR perceptions and expectations amongst MPN's host communities is vital in determining appropriate recommendations that are capable of resolving the tensions and militant confrontations existing between host communities and MPN.

The range of issues assessed comprises MPN's CSR profile and perceptions amongst members of the community and the host communities' expectation and its drivers. The chapter reveals some of the political, economic and social drivers of the community expectation given media attention and public importance accorded to these issues in Nigeria. With regards to political drivers, the issues addressed include agitation for true federalism and resource control; political domination suffered by Niger Delta ethnic minorities and; the pursuit of self-determination. As for economic drivers, the issues addressed include the public revenue distribution formula and community marginalisation in Nigeria; payment of oil derivation revenue to oil producing areas and; the establishment of NDDC. Under social drivers, the issues addressed include disparities in social transformation between the NDR and other parts of Nigeria; marginalisation of Niger Delta indigenes in employment and appointive positions in oil companies and; enduring rural poverty in the region. The corporate social responsibility implications of both political and economic drivers of community expectations are also considered. These issues are clarified and discussed in turn in the sections that follow.

6.1 Profile of Mobil Producing Nigeria's (MPN) CSR Activities and Community Perceptions and Expectations

Mobil Producing Nigeria Unlimited (MPN), an upstream subsidiary company of ExxonMobil Corporation (global leader in oil and gas business), is a major oil producer in Nigeria. The company started a business in Nigeria in 1955 with the name Mobil Exploration Nigeria Incorporated (MENI). MPN is a joint venture partner with the Nigerian National Petroleum Corporation (NNPC) owned by the Federal Government of Nigeria (FGN). In the above joint venture arrangement, NNPC has 60 per cent share while MPN owns 40 percent of the business. MPN had contributed significantly to the development of Nigeria's oil and gas industry since 1961 when the company received its Oil Prospecting License (OPL) to operate offshore in the present Akwa Ibom State.

The company with its joint venture partner, NNPC, operates over 90 offshore platforms comprising approximately 300 producing wells with a production capacity more than half a million barrels per day of crude oil, condensate, and Natural Gas Liquids (NGL). The NNPC / MPN Join Venture contributes 3% of its annual budgets to the Niger Delta Development Commission (NDDC), a development intervention agency of the FGN, established to develop the Niger Delta region (NDR) of Nigeria. A senior executive officer of MPN disclosed in an interview that between 2001 and 2014, the NNPC / MPN Joint Venture has contributed about ₦100 billion (approximately £29.4 million) to NDDC for development activities in the NDR. NDDC collects similar revenue from other oil companies operating in the Niger Delta region e.g. Shell, Chevron, Agip, TOTAL, ELF, etc.

In addition to the above, as stated in their CSR report, the NNPC / MPN joint venture maintains a very active community relations / community development programme. It has contributed substantially to health, education, sports, water supply, electricity, and roads in its operational areas. In line with the United Nations Millennium Development Goals (MDGs), The NNPC / MPN joint venture is also focusing on sustainable development projects that promote economic empowerment, capacity building, micro financing of small businesses, health care, annual scholarship awards to Nigerian undergraduates, and agricultural projects through partnering with notable non-profit organisations.

Mobil Producing Nigeria (MPN) has been budgeting and implementing corporate social responsibility activities in their catchment communities for several decades, for the purpose of securing communal support and cooperation in their oil extraction activities. '*The Mobil community news'* states that in 2012 NNPC/MPN executed 141 special community projects of which 38 of them were in Eket, 39 in Esit Eket, 35 in Onna and 29 in Ibeno (MCN, 2013) Examples of community development activities which MPN has been implementing in catchment communities (the focus of this study) in sectors such as education, health, water supply, roads, electricity, sports, capacity building and empowerment programmes in 2001 – 2010 are presented in Tables 5.1 – 5.5 (see Appendix C for details).

Figure 6.1 and 6.2, which were taken by the researcher, show that some bridges and roads have been constructed/repaired by the MOC in the oil communities. The community development initiatives are indicators of a good

job of the MOCs. However, this does not mean that all the roads are of high quality. Some of the roads in this region are like the one in Figure 6.3. In Figure 6.4 a photo of the MOCs contribution to water project in one of their host communities is shown.

Figure 6.1 Bridge at Ibeno – Iwuoachang road Ibeno LGA

Source: Field work, 2014.

Figure 6.2 Ikot Oku Nsit - Eket Road

Source: Field work, 2014.

Figure 6.3 Calabar –Itu Road

Source: Field work 2014

Figure 6.4 Mini water project at Upenekang, Ibeno LGA

Source: Field work, 2014.

Other CSR interventions between 2013 and 2014 include an Undergraduate Scholarship Programme where 500 Scholarships are awarded annually to

deserving Nigerian university undergraduates; and ExxonMobil Foundation Philanthropic activities. The ExxonMobil Foundation engages in philanthropic activities that advance education, health and science in catchment communities e.g. funding to improve basic education and programmes to combat malaria and other infectious diseases in Nigeria. The foundation through the Nigeria Malaria Control and Prevention Programme (NMCPP) provides insecticide-treated bed nets and organises malaria control workshops and training of community health workers.

Furthermore, the NNPC / MPN CSR package includes the 30/70 Model of Community Assistance Programme. Under this programme, any rural community in Akwa Ibom State that initiates a development project, and can provide 30% of the financial cost, automatically receives 70% counter-part funding from MPN. An example of such projects is the Ukana East Community Hall project in Essien Udim Local Government Area of Akwa Ibom State. The community raised 30% of the cost, and NNPC / Mobil gave them the balance of N9.7 million. The Community Hall which comprises a library, cyber café and other conveniences were commissioned in June 2014.

The above is the story from the perspective of NNPC / MPN CSR activities in catchment communities. However, the interviews with the host communities gave a differing perception of this. During the interviews with participants, questions were directed to villagers at Mkpanak, Edo and Eket to ascertain their perceptions towards MPN. The followings are excerpts from the interviews. At Mkpanak, a community leader commented that:

"Mobil is playing on our intelligence. The oil is on our land. They have been making billions of dollars from our oil deposits and share all the money with the Federal Government and Akwa Ibom State Government, leaving us [communities] with nothing. Take a look at the quality of residential houses built by individuals in this community. Is there anything to show that this community is rich? Is there anything wrong in giving us our financial share of oil revenue, and allowing us to undertake community development activities based on our felt needs and priorities"? (PA, Mkpanak, 27th Oct.2014)

This suggests that the claims from the MOC go far beyond what has actually been done. The MOC has contributed to CSR initiatives as highlighted above, but such gestures are viewed as inadequate compared to the huge profits they generate. A school teacher at Mkpanak strongly maintained that what is seen today as CSR in the host communities is the result of pressure, restiveness and militant activities in the Niger Delta region. According to the teacher:

"Both the Federal Government and Mobil originally had no development programme for the host communities. After several decades of neglect and pressure from our youths, the federal government established the Oil Minerals Producing Areas Development Commission (OMPADEC) in the 1980s, which metamorphosed into Niger Delta Development Commission (NDDC) in the year 2000. [..] They […] do not consult communities to determine what they want. [..]. Whatever you see now is as a result of pressure from the people. Both government and Mobil

Producing Nigeria do not see the need for host communities to benefit equitably from oil revenue sharing." (ED Mkpanak, 10th Oct. 2014).

A retired civil servant at Edo commented that the oil industry in Nigeria is responsible for many problems and injustices against indigenous ethnic groups and rural communities who are deliberately made poor due to oil politics on revenue sharing. In the same vein, a member of one of the political parties in Nigeria at Edo community stated that oil resources in the NDR had made Nigerians who are not from the NDR to be billionaires, while the indigenes remain poor:

"Do you know that the Federal Government of Nigeria allocates oil wells to Nigerians, for which over 80% of the wells belong to retired army generals and politicians from northern Nigeria? How can northerners who are near the Sahara Desert come to own most of the oil wells in the coastal region?" Don't we deserve to own oil wells as well? See our people have nothing to show for our oil resources (HU, Edo, 9th Oct 2014)

The disposition above is upheld by one of the chiefs at Eket who complained of bad politics in Nigeria and traced it to colonial rule, where Africans were oppressed by white men. He maintained that the problems in the oil industry in the NDR are underpinned by political, economic, and social factors which must be addressed if peace is to reign. He stressed that whereas communities expect their oil resources to give them a paradise on earth, the Federal

Government and Mobil are busy offering them what they consider as “peanuts” about CSR initiatives.

It is important at this point to note that there is pictorial and statistical evidence to support claims regarding community development initiatives by the MOCs. However, there is a missing link between the MOC’s report on CSR initiatives and how such projects are perceived by the host communities which suggest that their expectations have not been met. The question then could be; what more do the communities want? It is pertinent to consider those expectations and the forces driving them in the following sections.

6.2 Drivers of Community Expectations and Oil Multinationals in the Niger Delta

Though Nigeria is blessed with arable land for agriculture, various solid minerals, rich forest / biodiversity, the Atlantic Ocean with diverse aquatic species, and a bourgeoning tourism industry; over 90% of her foreign exchange earnings come from the extraction and exportation of crude oil. Accordingly, the developmental transformation of the country in different sectors of the economy and across her 36 states, Abuja federal capital territory, and 774 local government areas are all anchored on oil revenue from the NDR. Oil revenue has made many Nigerians to be so rich that some of them own banks, industries, private universities, and huge investments abroad. Unfortunately, the people of Niger Delta remained poor and marginalised in Nigeria (Orogun, 2010). This view is similar to that of Idemudia and Ite (2006) who opine that oil revenue has made a few Nigerians very rich while the majority are very poor.

Oil revenue has provided good quality infrastructure in other parts of Nigeria without doing same in the Niger Delta states of Nigeria (Cross River State, Akwa Ibom State, Rivers State, Bayelsa State, Edo State, and Delta State). In a nutshell, the people of Niger Delta expect their region to be developed or transformed in the same way other parts of Nigeria have been transformed. During field research / data gathering activities (interviews and FGD) for this study and the data analysis as reflected in the previous chapter, it was discovered that there are political, economic and social factors shaping community expectation regarding the CSR performance of MPN and other oil companies operating in the NDR of Nigeria. Sections 6.3 to 6.5 present the factors in details.

6.3 Political Factors Driving Community Expectations

A political leader in Eket, Akwa Ibom State, narrated that Nigeria is a country with a current population of about 180 million people, comprising three dominant tribal groups (Hausa, Ibo and Yoruba), and over 450 minority ethnic groups. Political domination by majority tribal / ethnic groups over their minority counterparts, and nepotism in the sharing of political offices and opportunities in government has been an enduring source of political instability and remains a serious problem in Nigeria to this day. When Nigeria gained independence from Britain on October 1, 1960, the country was made up of three regions – North, Western and Eastern region. In the above geo-political structure, the Hausas dominated other ethnic groups in northern Nigeria; the Yoruba dominated western Nigeria, and the Ibos dominated eastern Nigeria. The outbreak of the

Nigerian civil war between1966 to 1970 was partly due to tribal / ethnic rivalries after the British left in 1960.

In order to keep the country together, the military in Nigeria took over the government and ruled from 1966 to 1979 then the civilians took over power, and again from 1984 to 1998 when the death of General Sani Abacha and advent of democratic rule in 1999 ended military rule in Nigeria. In order to address the problem of political domination and geo-political imbalances between rival tribal / ethnic groups in the country, the military created and made Nigeria to become 12 states in 1967, 19 states in 1976, 21 states in 1987, 30 states in 1991, and 36 states and 774 local government areas (LGAs) in 1995 (see Appendix D for details). Suffice to mention that ethnic minority groups in the NDR were not given the number of states and local government areas they demanded. In Nigeria, public revenue sharing from the federation account is based on states and LGAs. There are more states and LGAs in the north than the south where oil is produced. However, since 2000 the Niger Delta states get more money from the federation account than other states due to implementation of 13% derivation. Nevertheless, the people of Niger Delta feel aggrieved that other parts of Nigeria (without oil), using geo-political structures, tend to collect more money from the federal government than they, who produce and generate Nigeria's oil revenue.

The above problem thus influences host communities' CSR expectations from oil companies operating in the Niger Delta. In the course of an interview, a community leader at Edo mentioned that Kano State (late General Sani Abacha's home state) in the north epitomises the imbalances that exist in the

creation of states and local government areas in Nigeria. Kano state has 44 local government areas (LGAs) which mean it has more LGAs than three southern states combined – Cross River (18 LGAs), Bayelsa (8 LGAs) and Ebonyi (13 LGA), totalling 39 LGAs (see Appendix C). Kano also has more LGAs than Lagos State, which has the highest population in Nigeria (but with only 20 constitutionally gazetted LGAs). According to him, southern leaders (which include the NDR) are committed to an agenda of political re-structuring of the Nigerian federation to ensure equity in public revenue sharing, hinging on the creation of more states and LGAs in aggrieved areas. He also says:

> ‘*’We are marginalised so much that what goes to the Northern states is far more than what we get here in the south. All the oil revenue goes to them that is why they have so many powers over us. [..] The people in the south frown at this because public revenue sharing depends on the creation of more states and local government areas. We have therefore requested that more LGAs be created in the south. The North is opposed to the creation of more LGAs, because the present state structure of Nigeria favours them regarding revenue sharing from the federation account” (MA Edo, 18th Sept 2014).*

The information above suggests that the number of LGAs determines the amount of revenue accrued to such a state. This explains why the host communities in the NDR have invariably transferred the clamour for more wealth to the MOCs. It could be argued that their inability to receive adequate public funds due to political imbalance has resulted in increased expectations from the MOC. However, the outcry for the political restructuring of Nigeria by

different groups keeps hope alive among the people of NDR who are expecting political and economic justice in the country. Their quest to correct the wrongs over time has increased their anxiety and confrontational attitude towards the MOC and the need to control their resources.

6.3.1 Agitation for True Fiscal Federalism and Resource Control

Following the political crisis of June 12th, 1993 that nearly tore Nigeria apart, several politicians, NGO activists, militant groups, community leaders, human rights groups and media organisations have been strongly advocating for true fiscal federalism in Nigeria. Advocates of true fiscal federalism maintain that states in Nigeria should control their resources and pay agreed taxes to the federal government. Currently, the Federal Government controls the natural resources of Nigeria's federating units and pays certain percentages by way of statutory revenue allocation to states and local government areas. The Federal Government keeps a larger portion of the oil revenue and gives a certain percentage to states and local government areas only. Most Nigerians in the NDR believe that Nigeria's practice of federalism is faulty and should be corrected.

Community CSR expectations of oil companies operating in the Niger Delta are continuously increased by on-going advocacy on true fiscal federalism in Nigeria. An interviewee at Mkpanak community had strongly held views on this:

"Nigeria is a developing nation with a young democracy. Some of the things the military did under military rule especially Nigeria's constitution is undergoing amendments. Host communities of oil companies in the Niger Delta will not give up. The struggle for economic justice in the oil industry must continue. Our expectation will not die. One day, we will achieve our dreams and demands from oil companies and the Nigerian government." (KA, Mkpanak, 27th Oct).

However, a woman leader at Edo believes that the failure of President Goodluck Jonathan (an indigene of the Niger Delta), to address community grievances and expectation in the oil industry (as president), makes the future bleak. In her opinion, if a northerner takes over as the president of Nigeria in the next election, it will be difficult for such abnormalities to be modified. She argued further that:

"*the people of northern Nigeria and their representatives in both chambers of Nigeria's national assembly have been opposing any bill that seeks to increase oil revenue accruing to states and communities in the Niger Delta e.g. the Petroleum Industry Bill that sought to address economic injustices in the Niger Delta. The bill could not be passed into law this year. This implies that community expectation in the oil industry may be difficult (if not impossible) to realise in the foreseeable future in Nigeria." (MA, Edo, 19th Sept 2014).*

This suggests that the quest by host communities to control resources is perceived as a contributory factor to the problems in this region. The

unwillingness of the Nigerian government to address the grievances of this region has culminated in constant contestations of the host communities with the MOCs with the hope that they could benefit directly from them. The host communities believe that controlling their resources is their major source of political power. Once they can control their natural resources and the revenue thereof, then they will be politically and economically empowered. However, the hopes of the people were raised once more when a national conference was organised in 2014 believing that this will solve the long standing cause of political dissatisfaction. The National Conference was planned, and representatives of all the relevant geo-political groups in Nigeria fully participated.

6.3.2 Political Domination and the 2014 National Conference of Nigeria

As mentioned in the previous chapter (see section 4.1.6), the political factors are associated with frequent disputes in this region as well as one of the drivers of community expectation of the MOCs. Issues of political domination and the need for a long lasting solution informed the decision for a national conference. A political leader in Eket commented that following the annulment of the June 12th presidential election of 1993, there were numerous calls by pro-democracy groups, elder statesmen, religious groups and socio-cultural organisations (e.g. Afenifere, Ohaneze Ndigbo, and Arewa Consultative Forum) that a Sovereign National Conference be organised to enable Nigerians come together to discuss and agree on how the country is to be governed. In 1994 / 1995, late General Sani Abacha (then military Head of State) was opposed to a Sovereign

National Conference (whose decisions cannot be altered by a seating president), and so opted for, and organised a constitutional conference that did not address the different underpinnings of political instability, religious intolerance, inter-ethnic crisis, economic injustices, and the pursuit of self-determination agenda by notable groups in the country (e.g. Oodua Peoples' Congress, Movement for the Actualization of the Sovereign State of Biafra, and several militant groups in the Niger Delta).

Nigerians continued to call for a Sovereign National Conference after the death of Abacha. In 2005 President Olusegun Obasanjo organised a National Political Reforms Conference, tactically avoiding a Sovereign National Conference, for fear that participants might decide that Nigeria should disintegrate or be dissolved as a country. Until he left office in 2007, President Obasanjo could not implement what was decided or recommended in the 2005 National Political Reforms Conference. On the strength of the above, President Goodluck Jonathan organised what he simply called National Conference (also avoiding the word Sovereign) in 2014, to enable Nigerians from different cultural, religious, political, and professional groups come together and dialogue on the fundamental issues that threaten the corporate existence of Nigeria, and to recommend a best way forward (see details on web reference, The Guardian Newspaper of 30th Sept 2015)

The Eket political leader further stated that the 2014 National Conference took place between January and June 2014. The agenda of the conference included constitutional problems, governance problems (e.g. system of government, revenue allocation, resource control, political restructuring / true federalism,

State versus Federal Police, and corruption), and sectoral or technical problems in Environment, Climate Change, Agriculture, Water Resources, Industrialization, Education, and Infrastructural development. The 2014 Conference took far-reaching decisions which touched on the grievances and expectations of the Niger Delta people vis-à-vis political and economic justice in Nigeria. Unfortunately, President Goodluck Jonathan lost his re-election bid on March 11th, 2015, and so the decisions and recommendations of the 2014 National Conference are yet to be implemented. There is now pressure on the current president, Muhammadu Buhari, to implement the report of the 2014 National Conference. That gives hope to the Niger Delta people who expect political and economic justice in Nigeria.

In an interview, a school teacher at Mkpanak regretted that whereas the subject of Sovereign National Conference was very dear to Nigerians, politicians seem to be playing politics with it. He maintained that the people of NDR had high hopes of President Goodluck Jonathan, in view of the fact that he comes from the Niger Delta region. Unfortunately:

> *"President Jonathan organised the national conference during the last one year of his administration, within a total of six years that he served as president. He wanted to use the National Conference to attract the support of southern Nigerians during the presidential elections. Some of the issues raised at that conference affect the Niger Delta because it is the financial base of the nation. Regrettably, the decisions to restructure the nation in favour of the Niger Delta have not been implemented" (ED Mkpanak,10th Oct 2014)*

However, another interviewee at Edo was positive that when matters receive attention at National Conferences, they get addressed subsequently in one way or another. He stressed that:

> *"Nigeria belongs to all of us Nigerians. If our present leaders are not committed to resolving the political and economic injustices of our time, future leaders will. We have done the right to fight for justice. Some of our people have been killed by Nigerian soldiers because of fighting for their rights. They could not have died in vain. Victory will come one day." (BU, Edo, 15th Aug 2014).*

The issues raised at the National Conference were hoped to right the wrongs in the Niger Delta and bring about peace and unity. However, the grievance seems to be transferred to the MOCs. The inability of the oil producing states to exercise a significant political influence over their resources and imbalances in the revenue sharing formula by the federal government have contributed to the past and current disputes in this region. Though this may seem to be the business of the government, rather than the MOCs, the oil companies are not excluded as it would be difficult for any multinational to operate effectively in a politically unstable economy. However, the role of the MOC cannot supersede that of the government. The implication of the political drivers of community expectation is that irrespective of investments in CSR activities by the MOC, there have been continuous demands and greater expectations for more development interventions from communities in the search for political

relevance which, unfortunately, MPN cannot meet. The political factors are closely related to the economic factors which are discussed in the next section.

6.4 Economic Factors Driving Community Expectations

A retired public servant commented at Eket that before the discovery of crude oil in Nigeria in 1956 by Shell D'Arcy (as it was then called) now, Royal Dutch Shell, national revenue was generated from different regions in the country. For instance, the Northern Region was rich in agricultural products (e.g. ground nuts and cotton), and solid minerals (e.g. tin, limestone and bauxite). Eastern Nigeria was rich in forest resources (e.g. timber and ivory products), and agricultural products (e.g. palm oil, rubber, cashew nuts and cocoa), and solid minerals (e.g. coal and limestone). Western Nigeria was rich in agricultural products (e.g. cocoa and palm oil), and solid minerals (e.g. limestone for cement production). However, the unsustainable exploitation of some of the above resources (e.g. timber, coal, and tin) led to their early depletion and insignificance as national sources of revenue. Lack of adequate investment in agriculture also led to little or no national revenue generation from the above agricultural products. All attention and ultimately, dependence shifted to crude oil in the Niger Delta region.

He also mentioned that since March 8th 1958 when Nigeria's first shipment of 8,500 tons of crude oil arrived in Rotterdam, Europe, to this day, when several trillion barrels have been exported to different parts of the world, there have been endless disputes from stakeholders on how the Federal Government of Nigeria (FGN) has handled the sharing of oil revenue. The FGN shares oil

revenue only with states that produce oil in the NDR, namely, Akwa Ibom, Abia, Bayelsa, Ondo, Edo, Delta, Imo, Rivers and Cross River State. There are two levels of disagreement regarding how the FGN shares public revenue in general and oil revenue in particular. The first is that local or host communities from where oil is produced are completely marginalised in public revenue sharing (whether derived from oil or other sources). The second level is the enduring row between state governments (nine Niger Delta States) and the federal government on the principle / formula used in sharing oil revenue to them. Details on the different levels of a dispute with regard to oil revenue sharing and allied matters are presented in the following sections 5.4.1 and 5.4.2.

6.4.1 Oil Revenue Sharing and Community Disputes with the Federal Government of Nigeria

Oil producing communities insist that the land from where oil is being produced in Nigeria is theirs and that they must be included in the oil revenue sharing arrangements of the FGN before peace can reign. They perceive the current sharing arrangement that marginalises them as an economic injustice which must be resisted eternally, or if need be, culminate in secession from Nigeria. KA from Mkpanak cited an example on how other parts of the world share oil revenue to communities and citizens:

> *"Alaska is an oil producing state in the United States of America, and Nigeria has copied the Presidential system of government and federalism from America. Alaska has a policy where its citizens and communities are entitled to their share of oil revenue and are being paid consistently.*

Direct payment of oil revenue to citizens is also being practised in Alberta, Canada. Oil belongs to every citizen in the Niger Delta. Oil revenue should be shared with all citizens, and government can take some of the money back as taxes. Why should Nigeria's brand of federalism rob its citizens and communities of oil revenue?" (KA Mkpanak, 27th Oct 2014).

Another interviewee also at Mkpanak stated that oil resources in Nigeria should be controlled and managed by a body that comprises representatives of the federal government, state governments in the NDR and oil producing communities. He complained that the present Nigeria National Petroleum Corporation (NNPC) is controlled exclusively by the Federal Government, with indigenes of non-oil producing states dominating the staff strength of the establishment. He stressed that NNPC as presently composed benefits other Nigerians more than the people of Niger Delta.

In the same vein, a youth activist at Eket commented that the existing public revenue sharing the practice of channelling funds to state and LGAs had produced notorious levels of corruption by office holders who are not accountable to the people they supposedly represent. To channel funds to Niger Delta villages, he called for the setting up of a Future Generations Trust Fund and Community Trust Fund to take care of the present generation of community members. While the Future Generation Trust Fund would provide a long-lasting capital resource to communities in the region, managed by a board and backed by appropriate laws, the Community Trust Fund (also managed by a board), should make grants to communities directly impacted by oil

production, for purposes of addressing their economic development needs and aspirations.

The youth activist lamented strongly that the problem between oil producing communities and the FGN is not underpinned by a lack of ideas, but by a cartel by northern leaders in Nigeria who are against more money being paid to the oil producing areas. They are afraid that any further increase in the amount of money paid to states and communities in the NDR will reduce what is left in the pool for sharing to the rest of Nigeria or 27 non-oil producing states. He elaborated further on the attitude of northern leaders thus:

> *"Nigerian Military Generals of northern extraction dominated as Heads of State or President of Nigeria during the years of military rule (1966 – 1998). In the above 32 years of military rule, a southerner (General Obasanjo) ruled for only three years (1976 – 1979), while northern generals ruled for 29 years. Military leaders were the ones that introduced draconian policies and dictatorship into oil revenue sharing which has lasted and marginalised Niger Delta communities and citizens to this day" (SE, Eket,23rd Sept 2014).*

The above participant concluded that in this era of democracy, continuous communities and citizens' marginalisation in the sharing of oil revenue would result in constant restiveness and violence in the NDR of Nigeria. However, their contestations do not end with the government but extend to the MOCs.

With regards to public revenue sharing, PE, a University lecturer from Eket also mentioned that the disagreements between the states in the NDR and the FGN are based on two reasons. The first reason for the quarrel is that the FGN's revenue sharing formula allocates 52% of federal revenue in the federation account to herself (FGN), then 26% to States (36 States), and 22% to LGAs in the country (totalling 774). States argue that more money should be distributed to states and that the FGN should devolve certain services to states (e.g. Education, Health, Agriculture, Works and Transport, Culture and Tourism, etc.). In his opinion, the FGN should concentrate on certain key services (e.g. Ministries of External Affairs, Defence, Internal Affairs, Aviation, Environment, etc.). He observed further that the FGN is dabbling into all services in order to retain more money than necessary.

The second level of disputes is the amount of money that is supposed to be paid to oil producing states, by the fact that oil is in their territories or land. Under what is known in Nigeria as 'derivation principle', the federal government pays a certain percentage of oil revenue generated by NNPC to oil producing states exclusive of non-oil producing states. He traced the Niger Delta crisis back to 1960 when Nigeria gained her independence and the three regions (then), comprising North, East and West, recognised the derivation principles. At that time, the country depended on cotton, ground nut, cocoa and palm oil for national revenue, and the state producing it was allowed to retain 50% of the revenue generated (as derivation revenue), and pays 50% to the FGN.

The main bone of contention here is that, when oil was discovered in the NDR, the Nigerian government jettisoned the above 50% derivation principle and the

youths of the oil-rich region then led by late Major Isaac Adaka Boro (then a Nigerian soldier) from Bayelsa State, spearheaded a revolt against the action of the government. When it became obvious that the FGN has to restore the derivation principle, instead of paying 50% as practised since 1960, there are large percentile fluctuations in the derivation revenue to the states which are being continuously and vigorously challenged by oil producing States (see Table 6.1).

Table 6.1 FGN and percentile fluctuations in the payment of oil derivation revenue to states

S/No	Year	Percentage paid to States	Percentage paid to Communities	Instrument / Enabling Law
1	1953	100%	Nil	Colonial rule / regional laws
2	1960	50%	Nil	Independence Constitution
3	1975	50%	Nil	Military rule / dictatorship
4	1979	20%	Nil	Military rule / dictatorship
5	1982	0%	Nil	Military rule / dictatorship
6	1984	2.0%	Nil	Military rule / dictatorship
7	1992	1.5%	Nil	Military rule / dictatorship
8	1995	7%	Nil	Military rule / dictatorship
9	2001	13%	Nil	1999 Constitution

Source: Compiled by the researcher

Table 6.1 indicates the fluctuations in the revenue sharing formula as discussed in section 5.2.3. It noted in this table that nothing is given to the host communities from the oil revenue. A key informant at Edo hinted that because the FGN failed over the years to listen and address persistent calls by the people of Niger Delta to restore the payment of 50% derivation revenue (as practiced during Nigeria's independence in 1960), militant youths are no longer talking about 50% increase, but total ownership and control of their land and oil

resources. The Niger Delta crisis has become complicated. He stressed that the Niger Delta crisis is more than a development issue, more than an environmental issue, and more than a security issue. It is now a combination of all these issues and is further compounded by becoming a part of the struggle for true fiscal federalism and self-determination. Indeed a combination of political, economic and social struggles now underpins the Niger Delta crisis in Nigeria.

In one of the documents received at the NDDC office, it is clearly stated that:

> *"there has been a series of agitations and sometimes violent acts to protest what was perceived as a suppression and denial of the rights to development. The oil companies have also not been spared the brunt of these agitations. In response to persistent, often violent demands to plough their huge profits back into the area, they have had to step up their community development and social responsibilities over the years. The Niger Delta thus became a sprawling relic of abandoned projects and dashed hopes."(NDDC 2001)*

The relevance of this information is to underscore the remote and immediate reasons for persistent tension and militant confrontations in this region, the failed expectations of the people to derive adequate benefits from their oil resources and the idea behind the establishment of the Niger Delta development commission which is considered in the next section.

6.4.2 The Mandate of Niger Delta Development Commission (NDDC) and Community Perception of their Activities

As discussed in section 2.9, NDDC was established to address the agitations of the oil producing communities, to improve their living conditions and to offer a lasting solution to the socio-economic difficulties in the region. However, these expectations do not seem to have been met. A community leader, at Eket (UJ), commented that oil producing communities are not happy with government and the NDDC because non-oil producing communities are benefitting more from NDDC development activities (e.g. roads, health care projects, water supply, electrification, school buildings, scholarships, etc.) than the oil producing communities:

> *"Oil producing communities in Akwa Ibom State are found in four Local Government Areas (LGAs), namely, Eket, Onna, Ibeno and Esit Eket. NDDC annual budgets and development activities focus on all the 31 Local Government Areas of Akwa Ibom State. The ratio is 27:4 in favour of non-oil producing communities. Clearly, NDDC activities benefit non-oil producing communities than the oil producing communities." (UJ, Eket, 23rd Sept 2014)*

Similarly, a political leader in Eket, FG, observed that the current governor of Akwa Ibom State (Godswill Akpabio) is from Annang ethnic group in the state, which do not have oil producing communities. However, the Governor determines the appointment of an NDDC Commissioner that represents Akwa Ibom State at the board of NDDC. As a result of the above, the Governor

influences other NDDC matters like staff employment, the award of contracts, distribution of development projects, etc., in favour of non-oil producing areas of the state. The above interviewee stressed that in the political dynamics of Akwa Ibom State, the oil producing areas are a minority who are being dominated by the rest of the ethnic groups in the state.

BU, a teacher at Edo, lamented that the law that established the Niger Delta Development Commission (NDDC Act 2000) made no provision for community representatives on the board of NDDC. The FGN (President) and State Governors appoint those they want into the Board of NDDC, and that is why NDDC is not answerable to oil producing communities. He stressed that when it comes to oil production in Nigeria, oil revenue, and developmental activities, the government is suspicious and treats oil producing communities as rivals or enemies who neither negotiate nor talk to one another on stakeholder problems in the oil industry. Being an oil-rich area, they want to be heard, seen and involved in issues that pertain to their communities and oil extraction activities at all levels. These suggest that the host communities are not happy with the activities of NDDC.

The evidence so far suggests that the establishment of NDDC in 2000 would have brought an end to the agitations of the Niger Delta states and an immediate solution to their developmental needs as originally envisaged by the FGN. However, the objectives of NDDC does not seem to be fully accomplished as the host communities perceive their activities as not being sensitive to the needs of immediate host communities who bear the brunt of oil extraction activities. NDDC is rather concerned about the spread of their projects in the

entire state. After more than a decade of its establishment, the problems of this region are yet to be resolved. The oil communities request more than infrastructural facilities; they want to be in positions of authority and be able to control their oil resources and decide what should be done with the revenue generated from that place. The effort of the NDDC alone is not enough to resolve the Niger Delta crisis as findings suggest that the political, economic and social factors are interrelated. The social drivers are considered in the next section.

6.5 Social Factors Driving Community Expectation

The persistence of rural under-development, unemployment and rural poverty attributed to traditional livelihood are prominent issues that drive community expectations on oil companies operating in the NDR. A local businessman at Mkpanak stated that for over 50 years Nigeria has been exporting oil, several Nigerians are now millionaires and billionaires, etc., with no indigenes of Niger Delta being among the class of wealthy Nigerians. He posed a rhetorical question:

> *"How can we resolve this dilemma of a Niger Delta region that is rich and poor, whose squalor is the fallout of its splendour, and whose poverty is a product of its wealth?" (MM, 18th Sept 2014)*

A University teacher from Eket maintained that over half a century of oil production in Nigeria (1960 – 2015) had financed the building and social transformation of two federal capital cities (Lagos and Abuja), thirty-six state

capitals, and 774 local government headquarters. He analytically argued that none of Nigeria's federal capital is in the NDR. Of the 36 developed state capitals, only nine are in the Niger Delta, while of the 774 Local Government Areas with transformed sub-urban capitals, only 185 of them are in the NDR. His firm conclusion was that the oil wealth of the Niger Delta is transforming other parts of Nigeria than the Niger Delta itself. He further observed that:

> *"Whenever our people travel to Lagos and Abuja, and experience the level of urban development, compared to the backwardness of towns and villages in the Niger Delta, some fire of anger begins to burn in them. The anger propels their expectations on oil companies to do more, and the gaps or what the oil companies are unable to do is now a source of restiveness and violent confrontation in the region." (PE, Eket, 18th Sept 2014)*

The above university teacher concluded that the story of the struggle by the Niger Delta people "is a story of power and resistance to it; an epic tale of ordinary citizens battling against highly superior economic forces that are determined to deprive them of financial wealth, and other forms of economic prosperity." The lack of financial empowerment, therefore, undermines the relationship between the MOC and the host communities.

In the same vein, a female trader at Edo mentioned that though poverty is a general phenomenon, there is a serious gender disparity in the rural poverty that exists amongst them. She argued that in general male children dominate the population of students in tertiary institutions (e.g. universities, polytechnics

and colleges of education), compared to female students. Accordingly, the number of qualified female experts to take up employment opportunities in the public and private sectors of the economy continue to be skewed in favour of the males. She stressed that though the population of women are more than that of men in the society, men are better educated and take up lucrative positions in the public and private sectors than women, culminating in serious poverty amongst women. Though the women have political, social and economic influence in the affairs of the village through the organisation called 'Iban Isong', she maintained that men benefit more from the CSR activities of oil companies and NDDC than the women.

This research is not focused on gender issues per se but the rationale for inclusion of the situation and experience of women in the project is to try to understand the phenomenon from the perspective of the female members of the communities and their role in contestations in this region. One could reasonably argue that the disadvantaged position of the women in this society with regards to education and employment contributes to increased level of poverty in this region. Women make up a larger proportion of the population; if the women are perceived to be poor, then the community as a whole can be regarded as being poor.

6.5.1 Marginalisation of Niger Delta Indigenes in Major Employment / Appointive Positions in Oil Companies

In most of the multinational oil companies operating in the Niger Delta, the majority of the senior management staff or company executives over the years

have not been indigenes of the catchment communities. One of the chiefs at Mkpanak mentioned that the oil companies (including Mobil) appear to be suspicious of communities, and so hardly offer them managerial positions in the company. The oil companies are comfortable with the employment of Nigerians who are not from the NDR into top executive positions at the expense of those from catchment communities. The above chief further stated that MPN usually base their argument (for non-recruitment of indigenes of catchment communities into top management positions) on the lack of technical expertise. He, however, maintained that the indigenes of catchment communities could be trained to acquire requisite knowledge, skills, and experience that are needed for top management positions.

An alternative view is stated in the NNPC/MPN joint venture publication regarding fair and equitable hiring and career development process that:

> *"MPN is committed to hiring and promoting policies that are objective and keyed to the needs of the company, performance based and put the right persons in the right jobs, without bias towards race, ethnicity, religion and gender" (NNPC/MPN 2006 pg 12).*

This explains why the constant confrontational attitude of the host communities regarding this issue is hardly addressed. The participants from the host communities believe that if an indigene of their community holds an executive position in the oil company, such a person will protect the local populations' interests when important managerial decisions are taken. During an interview, a community leader at Edo commented that oil companies operating in the NDR

have over the years been awarding contract jobs to businessmen or registered contractors from other parts of Nigeria. As a result of the above, indigenous contractors from the NDR are not doing well financially. He firmly believed that oil companies seem not to be interested in the economic prosperity and wellbeing of the people of the NDR. He further commented that during pre-qualification exercises of contractors, oil companies usually screen out indigenous contractors from the NDR, so as to enable them patronise contractors from other parts of Nigeria. Another interviewee at Mkpanak similarly commented that even when MPN decides to award contract jobs to indigenes of catchment communities, the jobs are usually those that involve small amounts of money. He maintained that external contractors are usually the ones that get lucrative contracts which lead to increased level of unemployment.

As discussed in the previous chapter, unemployment is a major factor to be considered in the relationship between the host community and the MOC. Though unemployment is a common phenomenon in most developing nations and Nigeria in particular, the oil-rich indigenes of the NDR do not see it as such. They believe that their case should be different from that of other parts of the country. The rate of unemployment seems to be affected by the negative effect of oil extraction processes on the traditional livelihoods of the people in this region. Closely related to the issues of unemployment and traditional livelihood is that of poverty.

6.5.2 Rural Poverty and Traditional Livelihoods

Due to oil wealth, the expectation of oil producing communities on developmental transformation, possibly from third world to first world, from poverty to prosperity, from agrarian economies to industrialized economies, and from low to high standards of living, has made it difficult for host communities to appreciate and value MPN's CSR activities in Akwa Ibom State. An interviewee from the MOC maintained that the gap between community expectation and actual CSR interventions by MPN underpin most of the tensions, crisis and endless disagreements existing between host communities and oil companies. He lamented that non-diversification of Nigeria's economy and revenue generation from non-oil sectors make it difficult for the federal government to consider the option of reviewing its revenue derivation formula in favour of the oil producing communities. However, an increase in revenue allocation would hardly be felt as this is not paid directly to the host communities as noted in Table 5.1 but to the state government who decides where such money should be invested hence, the rural dweller remain poor.

Most of the participants from the host communities assert that poverty in the NDR can be attributed to two causes; lack of employment, and destruction of traditional livelihoods due to oil extraction processes. Section 5.5.1 has discussed unemployment and the MOC's response to this issue. With regards to the destruction of traditional livelihoods, participants blame the MOC for incessant oil spills which have resulted in soil and water pollution. These have negatively affected their traditional livelihoods of farming and fishing without

adequate provision for alternative means of livelihoods or efforts to replace what has been lost. Eb, who is from Mkpanak states that:

> *"The effect of oil spillage and gas flaring; these two issues have negatively affected the livelihoods of our people. They have caused soil, water and air pollution and made life unbearable for our people. [..] it also affects the buildings, it affects the vegetation and other living organisms that we may not see with the physical eyes. On the other hand oil spills affects the fishes in the water and the land that we used to use for farming making it infertile for crop yield, and we don't have any other means of livelihood".(EB, 13th Aug. 2014)*

Similarly, a community leader at Eket maintained that the most severe oil spills in Akwa Ibom State involving MPN occurred in 2001, 2010 and 2012. The 2001 oil spill was so severe that the World Council of Mayors undertook an environmental assessment tour of Akwa Ibom State to see things for themselves. The above Eket community leader stressed that Mobil's environmental policy was seriously condemned during the above visit. The above oil spill was so overwhelming that they led to serious protest and barricade of Mobil's premises by angry villagers. He handed over the picture below to the researcher (see Fig 5.5)

Figure 6.5 Mobil's main premises at Eket barricaded in 2012

Source: Field work, Oct 2014

As observed on the photo above the caption says

> *"Eket, Esit Eket, Ibeno Onna, oil spill compensation is our right, ExxonMobil cheat is unbearable; pay us or stay away from our land".*

The participant maintained that several peaceful protests had been made in the past and in recent times to express their views on issues of compensation for oil spills, unemployment and improved living conditions. According to him, the issues have hardly been addressed. However, a different view is contained in a document, called "Scorecard", which highlights NNPC/MPN community assisted programme in the state and efforts made by the MOC in areas of poverty alleviation and job creation. The scorecards reflect projects undertaken by MOC in areas like fish farming, palm oil processing, cassava, starch and flour production and hairdressing. It also indicates that the MOC has carried out skills acquisition programmes, graduate training programmes for unemployed graduates, micro credit scheme and the establishment of entrepreneurship

centres in various parts of the state (NNPC/MPN 2006; NNPC/MPN 2007; NNPC/MPN 2008; NNPC/MPN 2009; NNPC/MPN 2010; NNPC/MPN 2011).

The differing opinions on what is published by the MOC and how it is perceived by the host communities suggest that there is an expectation that has not been met. One might wish to argue that the reasons for frequent disputes despite the intervention initiatives of the MOC as recorded in their publications may be due to lack of involvement of the host communities in the delivery process as there seem to be a communication gap which can only be explained through understanding and redefining the nature of relationship between both parties. The relevance of this finding is to reinforce the need for effective CSR that could accommodate the social, economic and environmental needs of the host communities as well as provide the needed support, which are a major determinant of a social license to operate.

6.6 Social License to Operate (SLO) and CSR

There have been increasing concerns amongst local communities and other stakeholders regarding the adverse impact of corporate activities on the society and environment (Parsons et al. 2014) which has heightened discourses on CSR and the need for social license to operate (SLO). As discussed in chapter 2, SLO is mostly adopted within the extractive industry due to the need by the local communities to safeguard the environmental from perceived treat or disaster. Oil extraction has taken a serious toll on the livelihoods of the people of the Niger Delta (Ejumudo et al. 2012). The extent to which these activities are deemed socially acceptable can be assessed through granting SLO (Dare et al. 2014a). SLO, as discussed in section 2.5.2, is important in order to avoid

possibly conflict that could cause huge loss and exposure of the company to social risk (Prno and Scott Slocombe 2012a). Therefore, corporation are forced to engage in socially responsible behaviour to earn continuing approval and acceptance of the society. In assessing good business practice, it is important to scrutinise the motive behind certain CSR initiatives. In situations where the costs prevail over the benefits of CSR initiatives to local communities (Tuodolo 2009), the SLO is thus withdrawn.

This seems to be in line with recent trends in CSR which more concerned about how the private sector generates its profit rather than how a part of such profit could be ploughed back to benefit the society. In other words, what is the implication of the processes involved in profit generation of business corporations? One of the research questions of this study aimed at assessing oil companies' activities and their impact on traditional livelihoods of the local communities and population. This is relevant to the concept of SLO. The findings have shown that one of the major causes of conflicts and confrontational attitude of the host communities to the MOC in this region is due to the negative effect of oil exploitation on traditional livelihoods of the people. Despite the demands by host communities for compensation for the pollution of their land and water through oil spillage and gas flaring as noted in chapter 5, they also desire that such occurrences should be stopped. The traditional livelihoods of the people of this area, which for the majority are farming and fishing, have been severely affected (Afinotan and Ojakorotu 2009). The findings relate to the SLO and further buttress the need for effective CSR which

emphasise increased benefits and reduction of harm resulting from corporate activities (Wood 2010).

As earlier noted, SLO is prominent in the extractive industry (Demuijnck and Fasterling 2016) and requires community involvement in the decision making of the firm (Prno 2013b) for local mining projects. However, Dare et al. (2014a) argue that SLO is not a single license but granted on multiple basis by the community at different levels of the society. The implication therefore is that a community could grant SLO at some point and refuse to grant same at other times depending on the circumstances. This makes SLO complex and difficult to maintain (Lacey et al. 2012). In other words, the extractive industry is forced to constantly undertake an environmental impact assessment in order to enjoy the support and secure acceptance of the immediate society. Otherwise, they are faced with constant complaints, conflicts and protest from the community which suggest an outright denial of social license.

The scenario in the Niger delta region suggest that the host communities seek to enforce refusal of SLO through conflict, agitations and other forms of violent/ none violent protests as noted in chapter 5. Therefore applying this notion in the study, findings suggest that the host communities demand more benefits than harm from corporate activities of the MOC. Local residents' constant protests attest to their displeasure over the MOC's actions. Participants from the host communities claim that the level of poverty in this region is due in large part to the loss of traditional livelihoods. Though poverty is seen as a national problem, it seems to be compounded through further destructive activities as a result of oil exploitation which is not acceptable to the people of this region. It is

particularly noted by participants of the focus group in Edo community that they would like the traditions of their ancestors (farming and fishing) to be maintained.

The argument here is that what may be seen as ‘good’ (CSR) may not be regarded as such if it is accompanied with negative impacts. The implication here is that considering a firm’s SLO is important in identifying and undertaking environmental assessment and effective management of stakeholders’ interests which Wood (1991) also refers to as corporate social responsiveness. In as much as the host communities desire developmental projects from the MOC in the form of CSR (Aaron 2012a), they do not want the activities of the MOC to destroy their traditional livelihoods. The host communities are concerned that the CSR initiatives of the MOC do not incorporate the potential difficulties for future generations which relate to issues of sustainability.

In recent times, issues of sustainability (such as those mentioned above) have become the focal point of most CSR practices (Tullberg 2012). Sustainability implies considering the economic, environmental and social effect of business practices which is often referred to as the ‘triple bottom line’ (Elkington 1998). This implies that corporations should engage in business practices in ways that promote social, economic and environmental well-being. The findings in this research suggest that the MOCs focus most of their efforts and attention on the economic aspect of their activities at the expense of the social and environmental bottom lines. Faced with the challenge of frequent oil spillage and gas flaring (Idemudia and Ite 2006a) participants are concerned that such harmful activities will not benefit future generations due to its destructive nature.

Constant pollution of their rivers and farmlands has contributed to the civil unrest in this region and subsequent abandonment of such livelihoods (George et al. 2012).

Gibson (2012) suggests that a company should be responsible for any damage to the flora and fauna that infringe on human welfare. Therefore, it is arguable that MOCs should seek to engage in activities that would address the negative impacts on the host communities. This is so because concern about the environment has become an integral part of business literature and business practice (Gibson 2012). The concept of SLO as used in this research is relevant in clarifying the attitude and activities of the MOC in their host communities with regards to their CSR and the need to be involved in sustainable practices for a better relationship. This is affirmed by Parsons et al. (2014) who state that the notions CSR, stakeholder concept and SLO are geared towards reducing the adverse impacts of corporate activity on the society and the environment. However, an integration of the principles of social responsibility, the process of social responsiveness and the development of corporate policies is necessary to address societal issues. Also, demanding corporations to exhibit attitudes that portray a positive act of responsibility.

6.7 Conclusion

This chapter has addressed the issue of the expectations of host communities of multinational oil companies operating in the Niger Delta and why there are frequent disputes between the host communities and oil companies in this region. A profile of CSR activities by Mobil Producing Nigeria is presented in

comparison with the responses from the semi-structured interviews conducted with participants from the MOC, the host communities and NDDC. Different sources of disputes and drivers of community CSR expectations were categorised into political, economic and social factors. Under political drivers, the issues addressed include agitation for true federalism and resource control, political domination suffered by Niger Delta ethnic minorities, the 2014 ethnic nationalities conference in Nigeria and the pursuit of self-determination. Under economic drivers, the issues addressed include public revenue distribution formula and community marginalisation in Nigeria, payment of oil derivation revenue to oil producing areas and highjack by states and the need for the establishment of NDDC. Under social drivers, the issues addressed include disparities in social transformation between the NDR and other parts of Nigeria; marginalisation of Niger Delta indigenes in employment and appointive positions in oil companies and enduring rural poverty in the region

Findings reveal that the Mobil Producing Nigeria (MPN) / NNPC (Nigeria National Petroleum Corporation) joint venture maintains a very active community relations / community development programme. It has contributed substantially to health, education, sports, water supply, electricity, and roads in its operational areas. The NNPC / MPN joint venture is also focusing on sustainable development projects that promote economic empowerment, capacity building, micro financing of small businesses, health care, annual scholarship awards to Nigerian undergraduates, and agricultural projects through partnering with notable non-profit organisations. Despite all these, the company is yet to secure the license to operate in a peaceful and favourable

environment because their CSR initiatives are interpreted differently by the host communities.

Under political drivers, it was found that the disparity in the number of states and LGAs have contributed to frequent disputes in this area (see table 5.4 in Appendix C). In Nigeria, public revenue sharing from the federation account is based on states and local government areas. There are more states and local government areas in the north than the south where oil is produced. The north gets more money from the federation account than the south (where Niger Delta is located), and all attempts to correct this imbalance have proved abortive to no avail. The people of Niger Delta complain that other parts of Nigeria (without oil), using geo-political structures, collect more money from the federation account than they, who produce and generate Nigeria's oil revenue. The above problem thus influences host communities' CSR expectations from oil companies operating in the Niger Delta.

Under economic drivers, it was found that there are two levels of disagreement on how the Federal Government shares public revenue in general and oil revenue in particular. The first is that local or host communities from where oil is produced are completely marginalised in public revenue sharing (whether derived from oil or other sources). The second level is the enduring row between state governments (the Niger Delta States) and the federal government on the principle / formula used in sharing oil revenue to them. Though the FGN established the NDDC to undertake development activities in the NDR, oil producing communities maintain that NDDC activities benefit non-oil producing communities more than them.

Under social drivers of community expectations, findings reveal that communities / indigenes of the NDR are marginalised in employment / appointment into executive positions in oil companies. The issue of general unemployment and rural poverty have also been attributed to the activities of the MOC hence the increase in the host communities' expectations from the MOC. The combined impacts of political, economic and social drivers of Community expectations culminated in the outbreak of militant youth activities in the NDR. On the other hand, MPN maintains that they have a joint venture agreement with the FGN, not communities. That notwithstanding, they maintain that they have a CSR package for host communities which has been going on for decades. MPN acknowledges that there are gaps in what communities want and what they can provide in terms of development activities. They insist, however, that the government has its responsibility to the development and that they are in business to make a profit.

The negative effects of oil extraction on traditional livelihoods have been discussed in relation to granting social licence to operate. While the concept of SLO considers how the private sector can minimise its negative impacts on the society, findings from this study suggests that oil extractive processes have serious negative impacts on the people of this region which have resulted in constant conflicts. These conflicts tend to be the manner through which the community seeks to enforce their social license. The argument is that oil companies should prioritise addressing the negative impact on their host communities in order to foster a good relationship and acceptance. The next

chapter is an analysis of data obtained from staff of NDDC in order to establish the role of government in corporate-community relation and CSR.

CHAPTER 7

THE NDDC AND CORPORATE- COMMUNITY RELATIONS: A GOVERNMENT PERSPECTIVE

7.0 Introduction

This chapter provides an analysis of information obtained by the researcher from employees of NDDC. As observed in the last chapter, the MOC is of the opinion that the host communities are excluding the government which is represented by the NDDC in providing their needs. NDDC is financed by contributions from all the MOCs operating in the Niger Delta region through 3% of their annual budgets for the development of this region. The aims and objectives of establishing NDDC made it pertinent that suitable employees from this establishment were recruited to participate in the study. Four employees from NDDC were interviewed, including an executive officer. The analysis affords the researcher an opportunity to explore the role of NDDC in this region, community involvement in NDDC projects and programmes and the role of NDDC in resolving conflicts in this region.

7.1 The Role of NDDC in the Niger Delta region

Regarding the role of NDDC in this region, a key informant explained the role of NDDC in this region by enumerating the mission and vision of the commission. DD states that:

'… NDDC mission [..] To facilitate the rapid even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful. That is our mission. Do you need the vision? A new Niger Delta flourishing with peace, economic prosperity, quality health and educational services, serving as the food basket of the nation and as investor's heaven where economic activities are integrated and do not compromise environmental sustainability of future generations..' (DD, 26 Aug 2014, NDDC)

This suggests that the NDDC has a significant role to play in the development of this region. This explains why the MOC feels that NDDC has not done as much as they ought to do hence encouraging the host communities to expect too much from the MOCs. The mission of NDDC might be related to the kind of ideas and perception of the host communities on what this region should look like (an area flourishing with peace, economic prosperity, quality health and educational services) and an ideal place that is conducive for operation by the MOCs. However, NDDC seems to view the achievement of their mission and vision as a complementary one. Whereas the MOC feels that the NDDC is not performing its responsibilities to the communities in this region NDDC, on the other hand, feels that they cannot take over the responsibilities of the oil companies or that of the government.

'..We as NDDC use the money contributed by the oil companies [..] that does not mean that the oil companies should not do their own bit in developing the area where they operate [..]. We cannot take over their

job or that of the state government or the federal government; each sector has its own role to play'. (DO, 21 Aug 2014, NDDC)

The participant above is aware that NDDC is funded by the oil companies, but is of the opinion that NDDC has its own role to perform, likewise the government and the MOCs. This is clearly stated by another participant that:

'..We are partners in the development of the Niger Delta region in order to improve their standard of living. Everyone has a role to play; the state government has its own role, we have our own role and so does the multinationals. There is no duplication of functions here. Though the multinationals contribute 3% of their annual budget to NDDC, that does not mean they should not carry out their corporate social responsibility to their host communities'. (BE, 21 Aug 2014, NDDC)

This therefore presupposes that NDDC has specific programmes and activities they undertake in order to develop this region. NDDC does not consider those projects an act of CSR because in their point of view CSR is mostly for business organisations and they do not have any business dealings with the host communities. This could be argued in the sense that CSR activities are not limited to business organisations. NU, a senior staff of the establishment, enumerates some of the projects executed by NDDC as stated below:

'..What NDDC does is to carry out projects in this region to better the standard of living of the people, [..] through road construction, building of schools, health centre, providing water and other things. When we

complete such projects, we hand them over to the community to maintain those projects since they are the ones to use them. Most of the projects are handed over to the communities after commissioning'. (NU, 22 Aug 2014, NDDC)

There seems to be a similarity between the projects executed by NDDC and those carried out by the MOC. This gives an impression that the two groups may be thinking alike as regards the needs of the communities. This could be argued in the sense that having both the MOC and NDDC proving good roads, build schools, provide water and health care services (which are tangible projects) would not trigger complaints from the host communities. Therefore, a similar complaint from participants from different communities makes one doubt if these projects actually exist. At this point, the researcher requested to see some of their projects. The researcher was taken to the location of a mini water supply project with a treatment plant and four over-head tanks for storing water in Mkpanak community. This project was said to have been commissioned the previous year, but the pump which was meant to be used for drawing water from the ground into the over-head tanks was broken, and this had been so for some months. However, the researcher was able to confirm that some of the projects were on the ground but were unusable because of mismanagement. Having non-functional projects is as good as having nothing at all. This is also an issue of sustainability because the company ought to make provision for how those projects would be maintained without rendering them useless.

To avoid duplication of function and the projects executed by both the NDDC and the MOC, another participant from NDDC states that there is a platform for

meeting and consideration of projects from both sides. These meetings were held once a month; comprising of representatives from all the oil companies operating in the region as well as representatives from NDDC. Decisions affecting the communities were taken and their various inputs with regards to community development. DD indicated that:

> *' ..There are platforms, one of them is called NDDC/OPTS [..] (Oil Producers Trade Section), NDDC is the chairman of that meeting where they discuss development. So that platform is supposed to take care of duplication projects like that. And there is also another platform; they call it PSD (partners for sustainable development) the chairman is NDDC. Where state governments, oil companies and NDDC all stakeholders will sit together and discuss [..]. And the other one is NDDC/OPTS meeting that one the chairman is from this department, Community and rural development unit in Port Harcourt, [..] where you'll bring your own development efforts, NDDC will bring her own and they will discuss.' (DD, 26 Aug 2014, NDDC)*

This seems to be a very organised system to ensure that the resources are maximised for the benefit of the communities. Unfortunately, these platforms seem not to be meeting the needs of the host communities. The expression of dissatisfaction by the host communities could be related to the kinds of projects both parties execute. Apart from the physical projects, another participant highlights some other activities of NDDC to empower the women and youth and to create employment opportunities.

'.. We have a department here that takes care of the youth, sports and women ….We also have another department called commercial and industrial development (CID). [..] They provide employment by training the youths, training women. [..], they [..] train women in all areas and then we also have a department, Agric and Fisheries, they train youth, women, [..] on these things like in fishery, in other sectors of agriculture like in cassava planting, growing [..] That is what NDDC is doing'. (DD, 26 Aug 2014, NDDC)

Listing the functions of the departments in NDDC may not necessarily mean these functions are performed. The analysis of data from the host communities (see section 4.1.4) revealed that one of the major challenges of the host communities was the negative effects of oil exploitation on their traditional livelihoods. It could be argued that if NDDC was involved in the training of youth, men and women on fisheries and other sectors of agriculture as stated above, then the problems of livelihoods and unemployment would have been resolved/minimised. A participant from NDDC also mentioned that the establishment adopts an approach of handing over the projects after completion to the communities through a formal letter for the maintenance of such projects. The existence of such projects and an assessment of their impact on the host communities are worth exploring due to the antagonistic attitude of the host communities. This therefore raises a question as to whether the communities are involved in the decision as regards the community development projects by NDDC.

7.2 Community Involvement in NDDC Programmes and Activities

From the previous discussions, it was observed that the MOC seems to blame NDDC for the problems in the Niger Delta region because they feel that NDDC has not carried out its responsibilities. Being funded by the oil companies annually, NDDC ought to perform its duties to the citizens by developing the region. On the other hand, NDDC complains of insufficient funds from the oil companies as well as the federal government. Participants from NDDC are of the opinion that the MOC still has a duty towards its host communities despite their annual contributions to NDDC and taxes paid to the federal government. It has also been established that NDDC, as well as the MOC, engage in community development activities which are similar. However, the effectiveness of such projects in meeting the needs of the people is questionable considering consistent protests from the host communities. In order for the programmes, projects and activities of NDDC to effectively benefit the communities, it is expected that the community should have an input as regards their needs and how these needs could be met. A participant from NDDC asserts that the community development unit of NDDC handles various requests from the communities as stated:

> *'..In some other times, the communities will write to us. I have opened a file here; I call it community request [showing a file] what we do … all these are community request, communities will write and then we compile the list, and then we'll send it to our headquarters'. (DD 26 Aug 2014, NDDC)*

This implies that the communities have an option of applying to NDDC for certainly needed projects, and such requests are forwarded to NDDC's headquarters in Port- Harcourt, where final decisions regarding which projects could be executed are taken. It could be argued that the process of sending the request to the headquarters could mean a long period of delay in executing such projects and possibly modification on the most needful projects. However, there are other instances where communities' input may not be sought as stated by the participant below.

> *'..Not all the projects come from the communities; there are some of the projects we execute on our own without input from the communities especially those project we see as a priority for the people'. (BE, 21 Aug 2014, NDDC)*

It appears there is a contradiction in the above statement; a project that is deemed a priority of the community should be the one demanded by the community rather than the one perceived as such by NDDC. The community should be allowed to determine which project is considered a priority to them. The process of liaising with the community on their immediate needs and also executing the projects which NDDC considers important to the community makes the process a mere formality. This makes one somewhat sceptical about whose interest is being protected in the choice and execution of projects. However, these projects were viewed as ways of reducing the agitations from the communities and means of resolving the crisis in the region as stated by DO:

'..There are several instances where the community rises against the oil companies which sometimes could end up in bloodshed.[..] Like the case of Ibeno where the youth blocked the roads and stopped [company] workers from going to work for several weeks. [..] Most of those agitations are as a result of what the communities want the oil companies to do for them. NDDC was established to help solve some of these problems by carrying out projects in those communities and the entire states of the Niger Delta'. (DO, 21 Aug 2014, NDDC)

This suggests that most of the disputes are due to unsatisfied needs of the communities. It has been established that the MOC and NDDC perform complementary roles to ensure that this region is peaceful and developed. Despite their operations in this region for over five decades (MOC) and 15 years (NDDC), one wonders why there are still frequent disputes between the host communities and the MOC. This gives an impression that infrastructural development may not be the major concerns of the people. However, NDDC does not mediate in the resolution of conflicts between the MOC and its host communities, but disputes between their contractors and the communities. The Community Development unit mainly caters for agitations from the communities as regards programmes and projects executed by NDDC contractors. DD from NDDC states that:

'… We settle [..] conflicts between communities and our contractors[..] and our consultants. We go into areas of compensation payments if there's any scruple, any misunderstanding about compensation we go in and settle. That is what we do in this department. Apart from that, we also sensitise the community about NDDC's programme, NDDC's

project, [..] to provide an enabling environment for the commission's project'. (DD, 26 Aug 2014, NDDC)

It seems NDDC's dealings with the communities and disagreements are with regards to project executions. As earlier indicated, most of the contracts are awarded from the headquarters without the involvement of the rural communities which causes tension with the contractors. The participant also explained that compensation is paid for the destruction of farmland during construction work and oil spills. However, the participant from the host community said it is too little.

The evidence above implies that NDDC complements the efforts of the MOC in community development through its programmes/projects and to improve the quality of health, education and socio-economic lives of the people. It has also been established that there is a forum in which NDDC meets with the MOC in order to avoid duplication of projects. This is done to ensure a wide spread of their projects. It is also understood that NDDC is involved in conflict resolution, but those between the communities and their contractors. NDDC does not, therefore, participate in the resolution of the conflict between communities and the MOC. It has equally been noted that the projects executed by NDDC covers the entire states of the Niger Delta region and not specifically the host communities where oil is being extracted. Despite the intervention and complementary efforts by the NDDC, the host communities seem to expect more than what is provided. Though NDDC was established to develop the Niger Delta region, the host communities do not seem to pay any particular attention to NDDC nor the Federal government but rather on the MOC. They

tend to be interested in the affairs of the MOC and the benefits they could drive from their operations on their land. This could be explored from the point of view of a perceived contractual relationship with the MOC. The argument here is that no matter what the government tries to do for the communities through NDDC, they still feel the MOC should do more for them as stakeholders.

7.3 Host Communities as Stakeholders

As discussed in chapter 2, the stakeholder theory is one of the theoretical underpinnings of this study. Freeman (1984) describes a stakeholder as an individual or group who is directly or indirectly affected by the activities of a firm and therefore holds a stake in such a firm. This presupposes that a relationship exists between the firm and its stakeholders. Prior studies have noted that a positive perception could emerge from a relationship between the host community and the multinational companies that are mutually beneficial if there are mutual conviction and respect between stakeholders (Idemudia 2007). This perception would positively affect the attitude of both parties and the level of commitment amongst them.

In order to understand the relationship between the MOC and the host communities, questions were put seeking their views and perception of the operations of the MOC in their communities and any benefits they may have derived from such operations. In response to the questions and the promptings in both inividual and focus groups, the emphasis was placed on identifying themselves as stakeholders to the MOCs. The concept of stakeholder was continually raised by the respondents from different perspectives. It is,

therefore, important to discuss this theory and consider how it is significant to the findings of this thesis.

From Freeman (1984)'s model, a company enters into a relationship with its various stakeholders voluntarily or involuntarily. In other words, any person or group who has a stake (interest) in a company automatically enters into a relationship with such a company. This idea is applicable in the Niger Delta region (NDR) as the evidence presented in chapter 4 and chapter 5 suggest that the host communities consider themselves to be stakeholders in the affairs of the MOCs. While some participants specifically use the term, others imply such a relationship by using phrases like "they cannot do without us", "they need our cooperation to exist" and "they cannot run away from us". These terms point towards an understanding within the community of their relationship with the MOCs as stakeholders. In order to support this view point, evidence from the two previous chapters has shown that the repeated conflicts and disagreements with the MOC over payment of compensation, employment and community development projects suggests that they believe they have a legitimate right and stake in the activities of the oil companies. Similarly, the deliberate obstruction of oil company workers' access to their workplace by blocking the roads as mentioned in chapter 4 supports this point.

Although Freeman (1984)'s broad definition of a stakeholder is criticized because virtually anyone or group can affect or be affected by an organization's action, Mitchell et al. (1997) suggest that managers should pay particular attention to the stakeholders who have the power to influence the firm, who have a legitimate relationship with the firm and those who can as a matter of

urgency, lay claims on the firm. These they call; the three key attributes of ‘power’, ‘legitimacy’ and ‘urgency’. In this thesis however, the discussion on stakeholder will be limited to the host communities.

The attributes identify by Mitchell et al. (1997) can be used to identify stakeholders and the degree to which managers give priority to competing stakeholders’ claims. They describe power as the ability of one person or group to get another person or group to do something that would not otherwise have been done. It is also explained that a party to a relationship has power if it can gain access to coercive, utilitarian or normative means to impose its will in the relationship. Coercive power is exercised by force, violence or restraint. Utilitarian power is based on material or financial resources, while normative power is exercised based on symbolic resources. With regards to legitimacy, their opinion is that legitimacy is an expected manner or behaviour that is socially acceptable. Legitimacy is closely related to power because the use of power in a way that the society considers to be irresponsible could result in the loss of such power. Urgency is described as the degree to which stakeholders claim for immediate attention which is considered to be critical or time-bound (Mitchell et al. 1997).

Considering these three categories, it could be said that the host communities have the power to affect and to be affected by the MOC. They tend to exercise coercive power over the MOC. For example, the incessant and varied conflicts and disputes are ways of forcing the MOC to act in their favour. This had resulted in huge costs to the company and the nation as a whole especially when the community youths decided to block the airstrip and prevent the oil

company workers from going to work for several weeks and sometimes months. The attitude of the host communities suggests that they are prepared to go to any lengths to achieve their goal of receiving maximum benefits from the MOCs. They also indirectly participate in acts that call for immediate attention which is the notion of Urgency as proposed by Mitchell et al. (1997).This shows the extent to which they have the power to influence the operations of the MOC as primary stakeholders. The data obtained for this research affirm Freeman's model (2003) of identifying the community as the immediate (primary) stakeholders of a firm and the claim for rights borne by the stakeholders. Being primary stakeholders gives them a direct link with the MOC hence increasing their power and influence on the MOC.

Freeman (2004b) emphasises the need for the stakeholder to be involved in important decisions of the firm, stating that the stakeholder has a right not to be treated as merely a means to an end. Similarly, Heravi et al. (2015) explain that involving key stakeholders in the planning of projects would have a strong positive impact on the achievement of the objectives of the organisation. This is in line with the findings of this research with regards to the complaints of the host communities about their lack of involvement in the projects executed on their behalf by the MOCs, and this has resulted in a negative perception of such projects as being executed only to boost the public image of the MOC. This provides an answer to the research question that addresses the frequent disputes between the host communities and the MOC. The findings suggest that the friction between the two parties would be reduced if the communities were involved in the planning and implementation of many of the CSR initiatives undertaken by the MOC.

The idea of stakeholder engagement has also been considered as the main aspect of assessing the standard of CSR (Wong Lai and Ahmad 2010). However, management practitioners are faced with the issue of value creation through stakeholder relationships that necessitate trade-offs (Brown and Forster 2013). In other words, there should be a balance between the achievement of the goals of the organisation and accommodating the interests of its stakeholders. The argument here is that neglecting the interests of any stakeholder could negatively affect the performance of any organisation. It could also be said that considering the interest of the stakeholders is important in achieving the desired positive outcome. Fassin (2009) explains that the stakeholders maintain a stake in the organisation in the same way that shareholders possess shares. In other words, just as the shareholder is important to the success of the organisation due to the shares they possess, the stakeholder is also important as they have a stake in the organisation.

This theory is particularly relevant in explaining the behaviour of the host communities towards the MOC and the need for proper management of this group. Frooman (1999) emphasises that managers should identify strategies that would enable them to understand better and manage the behaviour of stakeholders. His suggestion is for managers to answer questions like; who are stakeholders? What do they want? And how are they going to get what they want? It is, therefore, important to also note that it is not enough to acknowledge that the host communities are stakeholders, but to identify their needs and how to meet those needs that matter. Frooman (1999)) suggests that identifying and classifying the interest of stakeholders could be useful in

managing potential conflicts that could stem from opposing interests. Similarly, Trebeck (2008) asserts that stakeholders should be accorded priority, and their interests should be considered in order to reduce social risk and to improve community relations and, at the same time, enhance the firm's reputation.

As stakeholders, therefore, the host communities have several expectations which are required to be met. From their perspective, these expectations are what they consider their entitlement to CSR and an obligation that must be fulfilled. Though their interests may not always be the same as the interests of the company, proper management of such interests could create a favourable working environment for the MOC. This affirms the assertion by Wong Lai and Ahmad (2010) that the interests of the organisation's various stakeholders often interact with one another which sometimes varies from the interest of the organisation. The relationship between the host communities and the MOC can in one way be understood from the stakeholder perspective. What is most important is being able to effectively manage their diverse interests in order not to affect the success of the corporation.

7.3 Conclusion

This chapter has presented empirical data obtained from NDDC. Findings suggests that the NDDC has a significant role to play in the development of this region. Through the establishment of boards over the years, the federal government has tried to bridge the gap of community development and CSR activities. As a govermnment establishment, participant's feel that NDDC has not performed as expected by the host communities which has in turn increased the CSR expectations from the MOCs. The mission of NDDC is focused on

peace, economic prosperity, quality health and educational services besides enhancing a conducive environment for operations by the MOCs. However, respondent from NDDC insist that they perform a duty that complements that of MOCs rather than taking over their responsibilities. There seems to be conflicting opinions regarding the responsibilities of the federal government and that of NDDC as NDDC feels that they cannot meet all the needs of the host communities.

Nevertheless, NDDC does not consider the projects they execute as an act of CSR because in their point of view CSR is mostly for business organisations and they do not have any business dealings with the host communities. With regards to conflict issues, NDDC only resolves conflict between the communities and NDDC contractors. Nevertheless, the projects executed by NDDC covers the whole state and not specifically the oil producing communities. Despite the intervention and complementary efforts by the NDDC, the host communities seem to expect more than what is provided. For the purpose of initiating a good and successful CSR policy, this thesis suggests that CSR should be accepted as a 'relationship' which ought to be managed for the mutual benefit. The MOC should therefore effectively manage its CSR initiatives for the overall benefit of its stakeholders to strengthen a cordial relationship with the host communities. The implication is that developing a trust-based relationship with the host communities is considered as an important factor in creating an environment that is conducive for the firm's operations. The concluding chapter sums up the main findings of the thesis thus making it clearer.

CHAPTER 8

CONCLUSION

8.0 Introduction

This study has investigated the notion of CSR in the Niger Delta region of Nigeria. It has focused on research questions and objectives as outlined in chapter 3 by undertaking an empirically based, exploratory, qualitative case study aimed at developing an in-depth understanding of the relationship between host communities and the MOCs established therein. Fundamentally the research aim was an attempt to better understand the present situation in which, despite significant increases in CSR initiatives by the MOC on community development, they are still unable to secure the social license to operate and are faced with criticisms and confrontational attitudes by their host communities (see section 2.5.2). Hence, it was important that the analysis was geared towards understanding the perceptions and expectations of oil companies amongst host communities and that of the MOCs of their host communities.

This aim was achieved through a review of CSR programmes and activities by MOCs as well as the past and current disputes and conflicts in this region. It was also necessary to assess oil companies' activities and their impacts on the traditional livelihoods of local communities and populations (see chapters 5 and 6). Also this thesis gathers empirical evidence to support the theoretical concepts of CSR, stakeholder theory, the concept of social license to operate

and the psychological contract theory. This final chapter synthesises and presents the major findings of the research and highlights its contributions to the discourse on CSR. This chapter is divided into five sections. The first section discusses the research findings based on the research questions and how the study has achieved its aims and objectives as set out in chapter 1. The second section considers the significant contributions of this study to the body of knowledge and the third section reflects on the methodological challenges that confronted the research and its implication for the research findings. The fourth section discusses the possible areas of future research that need to be addressed. The final section is a reflective view of the entire research process.

8.1 Main Findings of the Research

The overarching research question set out to consider and clarify the nature of the relationship between the multinational oil companies (MOCs) and local communities in the Niger Delta region (NDR) of Nigeria. The main argument of this study is that the relationship between the host communities and the MOC in this region is a complex one, and the impact of CSR initiatives on the local people is best understood from a synthesis of the psychological contract, stakeholder and social license to operate perspectives. Such relationships largely affect the successful implementation of CSR initiatives by the MOC and further explain why the crisis in this region is yet to be resolved. For a better understanding of this relationship, the following sub-questions were posed;

(i) How are the CSR programmes/activities of multinational oil companies affecting the socio-economic lives of host communities?

(ii) How are oil exploration/exploitation activities affecting traditional livelihoods in oil producing communities of the NDR?

(iii) Why are there frequent disputes between the host communities and oil companies in the NDR?

(iv) What are the expectations of the host communities of the multinational oil companies and vice versa?

(v) How are the different community groups (e.g. Youth, women, chiefs/elders, and local politicians) involved in oil-related contestations in the NDR?

These research sub-questions are considered in turn below.

8.1.1 How are the CSR Programmes/Activities by Multinational Oil Companies Affecting the Socio-economic Lives of Host Communities?

The need to review the CSR programmes and activities by the MOC was based on the necessity to establish the impact of such projects on the host communities. The findings in this study reveal that the MOC through the Nigerian National Petroleum Corporation/Mobil Producing Nigeria (NNPC/MPN) joint venture maintains a very active community relations and development programme which is called “community investment”. It has contributed substantially to health, education, sports, water supply, electricity, and roads in its operational areas (see Appendix C). The company has also been involved in programmes to promote economic empowerment, capacity building, micro financing of small businesses, health care, annual scholarship awards to Nigerian undergraduate students and agricultural projects through partnering with notable non-profit organisations (see Table 5.1 in Appendix C). These

projects have positively affected the standard of living of the host communities and have contributed to development within the region.

However, the participants from the host communities offered a different perception of these projects. Some argue that the MOCs are not executing the projects as expected, and others flatly deny the existence of such projects. Participants from the host communities perceive the MOC as deceiving the people (outside this region) through their publications. They assert that most of the things the MOCs claim to have done are not what is happening on the ground (see section 5.2.2). It was established that the negative perception was as a result of a lack of adequate involvement of the host communities in the community investment projects and lack of, or insufficient needs assessment for the choice of appropriate projects. This indicates some of the origins for the disagreements that exist between the MOC and the host communities. Whereas the MOC feel they have done well and deserve to be applauded for their efforts, the host communities feel they are being manipulated for selfish purposes. Thus the approach of the MOC to community investment has not yielded the desired result for the MOC because it is perceived by the host communities as a means to an end which is not based on sincere intentions.

From the data collected it is clear that the host communities' feel that the MOC's investments do not provide what they need, but are simply a way of manipulating them in order to continue to operate and to maximise company profits. The locals also believe that the MOC's commitment to CSR was influenced by concerns for their corporate image. In other words, the issue of enlightened self-interest was perceived and reiterated in several interviews. However, participants from the host communities view CSR as a legally binding

activity that must be undertaken by the MOC in exchange for their oil resources (see section 5.1.1). The action of the locals confirms their belief that by doing good for the community through their inclusion and involvement in CSR programmes, the MOC could build a good relationship with them. This belief in the existence of a reciprocal relationship determined their social reality. These disagreements and differing views of both parties may be further responsible for the continuous conflicts in this region. However, their concerns also linked to the effects of oil-related activities on their traditional livelihoods.

8.1.2 How are Oil Exploration/Exploitation Activities Affecting Traditional Livelihoods in Oil Producing Communities of the NDR?

In exploring this research sub-question, findings from the study have shown that the traditional livelihoods of the people in the community, mainly those in farming, fishing and local trading have been negatively affected by oil exploration activities. The farmlands have been damaged by oil spills reducing the cultivation of crops by the farmers. The streams and rivers that were used for fishing and obtaining other aquatic animals for domestic and trade purposes have also been polluted. The oil spill has been of serious concern to members of the host communities because of the impact it tends to have on the people, their daily lives, social lives and their livelihoods. Many participants expressed concern about the problem of oil spill, which is seen as a frequent occurrence in this region. The oil spill affects not only people's livelihoods but also their daily survival as it pollutes the water from the rivers and streams that were hitherto used for drinking and for other domestic uses (see section 5.1.4).

Another major impact of oil extraction activities on the people is gas flaring. Participants attribute the high temperature around this area to gas flaring and also believe that the crops that are planted on farmlands near the gas pipes are destroyed by the flares. Others explained that the kind of rain water they get in recent times is dark in colour, and this could be responsible for the poor yield of their crops because such acidic rain water (as they call it) destroys their plants. They also attribute some related health problems like asthma and skin diseases to gas flaring (see section 5.1.4). For the locals, issues of oil spill and gas flaring are closely related to levels of unemployment. Participants expressed concerns over the increased rate of unemployment which they linked to the negative effects of oil extraction on their traditional livelihoods. As a result of these, farmers and fishermen can no longer engage fully in their professions. The participants, therefore, believe that the benefit they derive from the MOC is very little compared to the negative impact of the oil exploitation activities. The destruction of their traditional livelihood is considered a threat because of its effect on their health, socio-cultural as well as economic lives (see section 5.1.4). Some of these beliefs may not be borne out by science. For example, offshore gas flaring is claimed to be responsible for damaging the crops and this false claim could explain why the MOC do not take the opinion of the locals seriously. However, gas flaring is considered to be important and of real concern to the locals. This has therefore contributed to local dependence on the MOC and local inhabitants feelings of frustration due to the inability of the MOC to meet their demands on the recruitment of the indigenes and provision of basic social amenities.

This study has affirmed through individual and focus group interviews that oil extraction in the NDR has some negative impact on the local communities who believe they were happy and content with whatever livelihood activities they were engaged in before it was disrupted by the discovery of oil on their land. The negative perception of the locals is influenced by the unwillingness of the MOC to adequately compensate them for the negative impact on their environment and daily activities. This is considered to be one of the factors that trigger conflict in this region. The conflicts have added to the problems in the community and have adversely affected the desired positive outcome of CSR programmes and activities by the MOCs. The inability of the locals to appreciate and support the CSR initiatives of the MOC is an indication that whatever the MOC does is considered to be mostly palliative measures which do not address the main cause of disputes between the two groups. The constant conflicts in the Niger Delta therefore suggest the refusal of the communities to grant SLO and the demands for more positive impacts from the MOCs. The next section will consider the causes of frequent disputes in this region.

8.1.3 Why are there Frequent Disputes between the Host Communities and Oil companies in the NDR?

The third major finding was that the underlying cause of frequent disputes between the host communities and the MOC in the NDR were attributed to several interrelated factors. These factors include an indirect way of forcing the MOC to be responsible for the negative environmental impacts like oil spillage and gas flaring; political factors such as revenue control and; socio-economic

factors such as poverty, hunger and unemployment. These factors are not mutually exclusive but are closely related to one another. Participants from the host communities believed that conflict was mostly used as a means of provoking the company to act (be responsible). The host communities believe that if they don't cause tension, they will not be heard. Conflict is therefore used as an avenue of expressing their denial of a SLO to the MOCs and discontent over their activities. This approach seems to yield positive results for the host communities because many participants confirmed that most of the community projects executed by the MOC were only implemented as a result of local's agitations (see section 5.1.6). Oil spillage and gas flaring also contributed to the problems in this region as earlier noted. Conflict was therefore triggered when the MOC neglected to act on the issue of oil spill as members of the host communities carried out peaceful, but sometimes violent means of expressing their concerns and the need for compensation by the MOC (see section 5.1.2). Participants from the host communities also expressed their feeling of being cheated and marginalised from what they perceived as an entitled benefit from their oil resources.

On the political front, it has been established that the failure of the oil producing communities to exercise a significant influence over oil resources and imbalances in the revenue sharing formula by the Federal Government has contributed to the past and current disputes in this region. The constant disputes with the MOCs are therefore borne out of frustration. Since the host communities cannot contend with the Federal Government, they transfer their grievances to the MOC. Though the issue regarding oil revenue may seem to

be the business of the government as the controller of the revenue therefrom, the oil companies are not excluded because the exploration and exploitation of oil are carried out by them. However, the role of the MOC cannot supersede that of the government. This factor has resulted in continuous demands and greater expectations for more development interventions from MOC and the search for political relevance. Unfortunately, the demands of the host communities cannot all be met by the MOC which is considered unacceptable by the host communities who perceived their request as a right.

Regarding socio-economic factors, the findings show that there is high unemployment amongst host communities in the NDR. The participants believed that the youth of the community ought to be employed by the MOC or those MOCs should create other job opportunities because this is one of their expectations from the MOC. Though the problem of unemployment is not peculiar to this region, a national issue in Nigeria, poverty in the midst of rich natural resources is not perceived acceptable to the host communities. The reaction of the youth is therefore as a result of their desperate conditions and the need to attract help from the MOC (see section 5.1.6). Hunger is closely related to unemployment because a person who has no means of livelihood would not have food to eat. All of these factors contributed to frequent disputes between the MOC and the host communities. The expectations of the host communities from the MOC, therefore, increased due the quest for a better life. The next sub-question explores these expectations.

8.1.4 What are the Expectations of the Host communities of the Multinational Oil Companies and vice versa?

With regard to community expectations of the MOC, the findings reveal that the expectations are driven by political, economic and social factors. The political drivers include agitation for true federalism and resource control and political domination suffered by Niger Delta ethnic minorities. It is found that the disparity in the number of states and local government areas (LGAs) has contributed to frequent disputes in this area (see Appendix D). In Nigeria, public revenue sharing from the federation account is based on states and LGAs. There are more states and LGAs in the north than in the south where oil is extracted. Based on this, the northern states get more money from the federation account than the states in the south (where Niger Delta is located). Using the geo-political structures, the people in other parts of Nigeria (without oil) collect more money (proportionally) from the federation account than those who produce and generate Nigeria's oil revenue. The above problem thus influences host communities' CSR expectations from oil companies operating in the NDR. Residents of this region consider the above situation as grossly unfair.

In the case of economic drivers, the issues addressed include community marginalisation in terms of public revenue distribution formula and payment of oil derivation revenue to oil producing areas. Findings indicate that this expectation hinges on how the Federal Government shares public revenue in general and oil revenue in particular. The first is that local or host communities from where oil is produced are completely marginalised in public revenue

sharing (whether derived from oil or other sources) contributing to the lack of economic empowerment. The second level is the enduring disagreement between state governments (the Niger Delta States) and the federal government on the principle / formula used in sharing oil revenue to them. The Federal Government takes the bulk of the proceeds from oil revenue giving the oil producing states only 13% while nothing is given directly to the communities (see section 6.4).

The social drivers of community expectations include disparities in social transformation between the NDR and other parts of Nigeria; marginalisation of Niger Delta indigenes in employment in oil companies and rural poverty in the region. The participants believe that MOCs in other parts of the world are living up to their CSR obligations with regard to social transformation of the cities where crude oil is discovered as such cities become well developed. However, the MOCs in their region are not doing same, and their living standards are not better than those who do not have oil on their land (see section 5.1.7). The findings also reveal that communities / indigenes of the NDR are marginalised in employment / appointment into executive positions in oil companies. The locals attribute issues of general unemployment and rural poverty to the activities of the MOC. They believe that the MOC should accept responsibility for what they are deemed to have caused. This has therefore increased the host communities' expectations from the MOC.

The combined impacts of political, economic and social drivers of community expectations culminated in the outbreak of militant youth activities in the NDR. The host communities view their expectations as a right and an obligation that

must be fulfilled by the MOC. The feeling of failed expectations is closely related to the belief that there is a contractual relationship between both parties. There is an understanding from the perspective of the host communities that the CSR activities required of the MOC are in exchange for using their land for oil exploitation. This notion points to a perceived existence of a contractual relationship. The general view about MOC exploiting their host communities and neglecting their responsibilities is thus viewed as a breach of contract.

On the other hand, the MOC maintain that they have a joint venture agreement with the Federal Government of Nigeria and not communities. Notwithstanding this, the MOC maintain that they have a CSR package for host communities which have been carried out for decades. The MOC acknowledges that there are gaps in what communities want and what they can provide in terms of development activities. They insist, however, that the government has its responsibility to the development and that they are in business ultimately to make a profit. Regrettably, the host communities expect more responsibilities from the MOC than they do from the government because the MOCs are seen as being part of the problem and must, therefore, be involved.

8.1.5 How are the Different Community Groups (e.g. youth, women, chiefs/elders, and local politicians) involved in Oil-Related Contestations in the NDR?

This question was aimed at establishing the level of involvement of different community groups in oil related issues in the NDR. The findings revealed that the youth, women and chiefs are often involved in oil-related contestations in

this region. The relevance of having a good representation of each of these groups in this study was to appreciate their different viewpoints and make the findings more robust. The main actors in most of the crises are the youth (see section 5.1.5). The youth is involved in blocking the roads to prevent company workers from going to work in protest to the MOC as well as other forms of peaceful and sometimes violent protests. The women also have their role to play as female participants affirm that they used to cook for the youth during periods of conflicts because the outcome is often for the benefit of everyone in the community, including the women. Through the use of a group called “Iban Isong”, the women also seek the protection of their rights in the community (see section 5.3.2). Such rights include benefiting from the money paid to the community as compensation for oil spills. The women are also seen to be involved in peaceful protest by carrying placards near the company’s official premises to express their grievances. However, they do not join the male youths in violent acts. The chiefs and older people in the community equally participate in the fight for a better life as they are mostly involved in negotiations with the MOC. Unfortunately, the Chiefs are perceived by the youth as being selfish or corrupt by accepting the terms of the MOC because it is in their personal interests rather than those of future generations. Nevertheless, the Chiefs feel they are acting as advocates of peace and not violence.

8.1.6 Summary of Findings

Taken together, these findings suggest that oil extraction in the NDR has both positive and negative impacts on the people of this region. The positive impact

has to do with the community investment (CSR) initiatives by the MOC which has contributed to some level of improvement in the socio-economic lives of the people and physical development of the area. Due to this, the MOC expect the host communities to appreciate their efforts and behave responsibly. However, this is not appreciated by the indigenes because of the negative effect of oil extraction processes on the environment which has affected the traditional livelihoods of the people. The denial of social license is associated with oil spills and gas flaring is viewed as one of the trigger causes of the Niger Delta crisis. The disputes between the host communities and the MOC are often associated with the demand for compensation for the pollution of their land and water due to the oil spill. At other times a crisis was due to failed expectations from the MOC to

provide infrastructural facilities. In contestations with the MOC, the youth is always at the forefront of such protests, supported by the women, while the older people and the chiefs are perceived to be advocates of peace. The host communities feel that payment of compensation is their entitlement which the MOC should comply with. This explains the nature of the relationship between both parties which is based on conflicting mutual expectations and the basis for the contributions of this research.

8.2 Research Contribution to Knowledge and Practice of CSR

This study makes several contributions to the current literature and adds substantially to improve our understanding of CSR. The host communities consider CSR from the view point of obligation/ perceptions /expectations from the MOC as regards fair treatment, improving their quality of life and reducing

the negative impact of oil extractive processes (see chapter 5). This is believed to be part of the bargain in their relationship with the MOC. The argument is that meeting such expectations would reinforce commitment on the part of the host communities and a cordial relationship which could also contribute to the survival of the firm. It is also established that the expectations are closely linked to the views of the host communities as stakeholders to the MOC (see section 8.1). Therefore, as local communities hold a stake in the company, neglecting their interest could negatively affect the performance of the firm. It could also be said that accommodating the interests of the stakeholders is important in achieving a mutually beneficial outcome.

The host communities expect a lot from the MOC, and the same is expected of the host communities in return by the MOCs. This implies that a reciprocal obligation is expected of each group of the other. The relationship between the firm and its local stakeholders is, therefore, that of mutual expectation which could be met through CSR. The locals think it is unfair for oil to be drilled from their land and revenue therefrom used to develop other parts of the country while the resource area remains underdeveloped. They also feel unfairly treated by the MOC by not providing employment and other job opportunities for the younger generation. Based on their perceived stakeholder relationship with the MOC, their confrontational attitude emphasises the need for mutual benefits. However, the MOC think they have done enough already through CSR initiatives and that the locals are unfair and unreasonable in their actions. The MOC expect the host communities to appreciate their efforts and reciprocate their gesture through cooperation with them rather than being hostile.

The empirical findings in this study provide a new understanding of CSR which should be viewed as a 'relationship' and properly managed for the mutual benefit of both the corporation and its stakeholders. In every relationship, both parties have a responsibility which is to respond or provide a response to something and in this case an obligation to give and take. Hence the issue of mutual benefit should be upheld for a constructive relationship. The situation in the Niger Delta indicates that where one party perceives the other as not being fair in the relationship, there is bound to be problems due to failed expectation of one to the other. The argument is that there is no responsibility without a relationship. People are only responsible to those they are related to in whatever form; hence the relationship between the MOC and its host community (stakeholder) demands commitment and acceptance of their responsibilities in the relationship.

This thesis provides empirical evidence that supports the idea of stakeholder engagement (Wong Lai and Ahmad 2010). This idea is considered important in assessing the quality of CSR. It is argued in this thesis that when stakeholders are involved in planning and implementation of CSR initiatives, there is bound to be mutual trust. Findings from this study show that the host communities do not trust the MOCs; they do not feel that the CSR initiatives of the MOC are meeting their needs because they claim to be excluded in the planning and implementation of such projects. The host communities believe that the MOCs are practising the idea of 'enlightened self-interest' (see chapter 5) in their CSR initiatives, simply to prove that they are socially responsible and to boost their image. The engagement of stakeholders (especially the primary stakeholders in

this study) (Freeman's model 2003) is considered an important factor for achieving the goal of an organisation. It is also argued that lack of trust between the firm and its stakeholders could jeopardise the reputation of a firm.

The analysis in chapter 5 demonstrates that environmental and poverty issues in this region are interrelated. Participants claim that their poverty is due to the loss of traditional livelihoods. Whilst the host communities are happy about the existence of oil on their land and desire developmental projects from the MOC in the form of CSR as stated by Aaron (2012a), they do not want the activities of the MOC to destroy their traditional livelihoods. The argument is that oil companies should prioritise addressing the negative impact on the host communities in order to foster good relations with them. The relevance of this finding is to reinforce the need for effective CSR that would accommodate the social, economic and environmental needs of the host communities as well as provide the much-needed support to reduce the negative impacts. Hence, addressing issues of sustainability have become the target of CSR practice in many firms.

This thesis also contributes to the development of literature on concept of social license and its implication in the oil and gas industry. As discussed in section 2.5.2, the negative impact of oil extractive processes on the lives of local communities and the environment has contributed to lack of acceptance from host communities. Issues of conflicts and constant agitations with the MOC points to the manner in which the local community members seek to enforce it and the complexity in granting social license. As perceived by the participants

from the host communities, the findings suggest that there seems to be more negative impact as compared to the benefits derived from the discovery of oil in this region and CSR does not seem to be the solution. However, effective CSR could alleviate the associated problems.

Through the practice of CSR, corporate organisations should ensure that their activities do not contribute to creating societal problems but rather address and reduce/ solve them. The findings here show that the host communities expect more responsibility from the MOC than the government in meeting their needs (see chapter 6). The indication here is that the negative impacts of the MOC's operations are often associated with conflict issues, which explains why the agitations are focused on the MOC. Though CSR cannot be a substitute for the role of the government, it can bridge the gap to some extent. However, the situation in the research area shows that the ND crisis goes beyond the provision of physical structures and employment. It is argued that until the income earnings capabilities of the rural dwellers are developed, enhanced and augmented, whatever is done to the physical development in the area would remain largely a waste of time and effort.

The study also explores an understanding of CSR from a Psychological Contract (PC) perspective. In Human resource management, the theory of PC considers the perceptions of two parties, employee and employer, of what their mutual obligations are towards each other. These obligations will often be informal and imprecise; they may be inferred from actions or from what has happened in the past, as well as from statements made by the employer. Some obligations may be seen as 'promises' and others as 'expectations'. The

important thing is that they are believed by the employee to be part of the relationship with the employer. In PC both employer and employee have strong expectations of each other, and both parties have a chance to gain from a continuous interaction.This idea is similar to the views of the host communities and the MOC as both have strong expectations of each other (see section 8.2) The relationship between the concepts of PC and CSR as highlighted in this thesis has previously not been recognised and therefore contributory in generating a deeper understanding of the relationship between the MOC and their host communities.

Lastly, the thesis establishes an inter-relationship between stakeholder, psychological contract and the concept of social license with regards to CSR. The stakeholder theory explains the relationship between the firm and its stakeholders based on their expectations, the psychological contract considers the idea of reciprocal expectations of the firm and its employees which in this case is considered at the macro level (MOC and the host communities), while SLO considers the assessment extractive activities for the benefit of the stakeholders. The interplay between these three theories provides a deeper understanding of an alternative approach to CSR that could yield desired positive outcomes for the firm.

The contributions of this study as highlighted above do not suggest that the study was without limitations. The next section will consider the limitations of the study.

8.3 Limitations of the Study

The findings in this study are subject to at least three limitations. First, the use of only qualitative research methods, although considered appropriate, could limit the findings of the study despite the efforts to reduce the limitations. The use of interviews and focus group discussions were considered ideal for the study because the rural people have a common interest, they live in the same area, and with shared norm, but the difficulty in getting the people together during some of the interview schedules may have affected the findings of the study. In some cases, where the out-spoken respondents were called during the group interview process, they dominated the discussion such that the remaining participants struggled to provide responses, although all the participants were encouraged to talk.

The second limitation is that it was difficult to obtain information from the government officials (NDDC) as well as the MOC. Some felt releasing information might affect their jobs though anonymity and confidentiality were guaranteed. This amounted to the recruitment of a relatively small number of executive officers from these two groups, which made the analysis to be loaded with excerpts from the host communities. Several visits were made to their offices because some of the respondents, who had earlier agreed on a particular date and time for their interviews, declined being interviewed. In some cases, the interviewees refused for the interview to be tape recorded. In such cases, efforts were made to take notes of the key points mentioned. The implication is that the researcher could only summarise from memory without

writing every detail as would have been the case if the interviews were tape recoded. However, it is important to point out that this limitation was compensated for by drawing on published newsletters from MOCs and the NDDC where their positions were often clearly stated (see Appendix C, E & F). The difficulty of gaining access to the MOC and NDDC as compared to the ease of meeting the locals gave the researcher an initial opinion of the situation and kind of relationships in the study area. This rather spurred the researcher on to explore more in-depth findings on the reasons for such attitude in order to be as neutral as possible. However, I sympathise with the residents and empathise with the feelings and experiences they so generously shared with me.

The third limitation of this study is that the study employs a relatively small number of cases which are usually criticised for generating findings which are context-specific, and therefore lack generalisation to other situations and contexts. For this study, it can be argued that the findings generated are not for purposes of a generalisation but is aimed at developing an understanding of the issue of CSR in this region which could better be gained from a qualitative – interpretive and exploratory study, looking at the depth rather than the breadth. Therefore, accepting that these findings may lack generalisability, they do certainly offer transferability in terms of similar issues in other parts of the world. The next section provides recommendations for addressing some of the limitations of the present study and provides a future direction for research which could extend the evidence presented in this study.

8.4 Future Research Areas

The main recommendation for further research is the replication of this study using multiple case studies. If possible, such a study should involve more local communities. The study was carried out in Akwa Ibom, being one of the major oil-producing states in the Niger Delta region. There are other areas in the region where similar investigation could be done to understand the host communities' relationship with the MOC especially in areas more prone to conflicts. This would further strengthen the findings so far and provide insights to the issues raised. Due to the difficult in obtaining information from the MOC and the government officials (NDDC) which resulted in the recruitment of a relatively small number of executive officers from these two groups, a further study could be carried out to include more participants from these groups. Similarly, research could also be undertaken to accommodate more multinational companies of varying sizes operating within the country. Such studies could likewise be carried out with indigenous oil companies to compare the outcomes. Most of the research regarding CSR in developing countries is focused on the oil industry; it is suggested that further studies should be carried out in other sectors of the economy. Similarly, the studies could also include other parts of Nigeria, Africa, the developing world, other MNCs or other local conflict zones.

This study has opened doors to other areas that have to be investigated to improve CSR practices in this region. The findings revealed that the host communities perceive themselves as landlords to the MOC which could not be

explore due to time constraint. It is suggested that future research and investigation should be carried out to establish the tenancy relationship between the MOC and the host communities. Similarly, research could be done to ascertain if community participation in CSR would improve their relationship with the MOCs. In this research individual, interviews and focus groups were used for data collection; further research could use an additional method such as observation to make the finding more robust.

8.5 Reflections

Research is a learning and discovery process aimed at obtaining new knowledge for a purpose which depends on the researcher. The entire research exercise was certainly a period of transformation for me, from the state of unknowing to a state of acquiring adequate knowledge regarding the subject area in order to develop myself as well as improve the situation in my area of study. This is in line with the views of Wisker (2008) who asserts that the postgraduate study is an opportunity for the expansion of personal skills. I believe that my research could bring about positive changes through recommendations for good practices and improved social conditions of the people of the Niger Delta region. I started this research journey with an open mind and willingness to learn. Although it was quite boring and lonely at some points, spending several hours in the library trying to accomplish a particular task, I persisted and was determined to accomplish my goals and dream of obtaining a PhD. I acquired skills on how to effectively use the library, skills on time management, how to manage stress, managing my supervisors, ability to adapt to new circumstances, etc. which added to shape my research identity.

As one who was undergoing a transformation process, I learnt mostly from my mistakes. Based on the knowledge and skills gained, my participation and presentations at conferences within the UK, interaction with people during individual and group interviews and other personal experience, I believe I have become a better researcher than I was over three years ago.

A retrospective view of the research process adds to the experience of the researcher, the relationship with the participants and the knowledge created. Although data were successfully collected during the fieldwork for this research, there were some expected and unexpected difficulties at various stages of the process. Before the data collection process, emails were sent to prospective participants from the MOC and favourable responses received to participate in the study. The researcher was hopeful that there would be no resistance from the MOC's angle. However, when the actual data collection process began, it was quite difficult to gain access to the MOC which delayed the entire process. I discovered this when I had travelled over 100 miles to the site of the field work (which was pre-arranged) only to meet unexpected disappointment. It was after much persuasion and repeated telephone calls that participants from the MOC agreed to be interviewed. This was tactically managed such that the right persons were finally interviewed. The implication is that the researcher learnt a lesson that in research, one should be prepared for possible disappointment from intended participants.

The research was undertaken in remote communities in Akwa Ibom State which made it difficult to gain access to participants. I had to travel for several hours, on very poor roads to get there. I can recall a particular trip that took approximately six hours to get to Mkpanak village because of traffic as a tanker carrying fuel, fell across the road making it impossible for cars to pass. Such scenarios made the data collection process quite hectic. This problem also manifested itself mostly in terms of high cost of transportation and loss of valuable time due to time spent on the road. A driver that was familiar with the terrain had to be hired by the researcher, and active field work was done mostly during the day throughout the period of data collection. It is pertinent to note that at least a dozen trips were made to the study area because the research involved three host communities. The researcher also recalls that some communities required permission from the community leader before participants could be contacted. Although this was helpful as the community leader could suggest prospective participants, and one participant could suggest another useful person to speak to, but this could constitute a bias as the initial participant may suggest another person who may have similar views or may even have been told what to say in advance.

Another point is that the researcher was considered a stranger, especially because she comes from a different part of the Niger Delta. This was actually an advantage because some members of the community were willing to talk to me, as they saw me as being neutral to events within their community. At other times, the status of a stranger and one from abroad also meant that the communities sometimes mistook the researcher as someone sent by oil companies as an advocate to speak in their favour. Some even enquired what

would be the financial benefit of the research to them before they would speak to me. I was quick to correct the wrong impression by informing the respondents that I was a student and not sponsored by the MOC. Most of the participants were friendly and willing to discuss issues affecting them freely while others felt the researcher was working for the MOC which made them withdrawn. Completing the interviews was very rewarding, and a worthwhile experience for me and the participants (I suppose) as each contained very rich data.

I would like to report that through this research, I have learned a great deal and I am now aware of many things that were hitherto unknown to me. The research has been credible and has provided explanations for the phenomenon under study although there are other ways such clarification would have been provided (Crotty 1998). The research process was a mixture of excitement, frustration, confusion and interesting moments. The outcome for me is what has produced this thesis.

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Appendix A: Interview Guide

TOPIC: UNDERSTANDING THE RELATIONSHIP BETWEEN MULTINATIONAL OIL COMPANIES AND HOST COMMUNITIES; A CSR STUDY

THEME: Assessing the impact of oil companies' activities on traditional livelihoods

TARGET GROUP: Host communities

Questions:

1. How long have you lived here?
2. What do you do for a living?
3. How long have you been in the profession?
4. How do you feel about oil industry activities in your community?
5. Do you think/feel you have benefitted from the oil discovery? How? Examples?
6. Have the oil companies' activities affected your means of livelihood? If yes, how?
7. If you had an alternative means of livelihood would you prefer that? Why?
8. Were you happiest before oil was even discovered?
9. What do you think will be the situation for the grandchildren of this community as a result of the oil extraction?
10. Do you think the oil companies' activities will benefit the future generation?

THEME: Review CSR programmes and activities

TARGET GROUPS: Oil company employees and NDDC officials

Questions:

1. How long has the oil company operated in this region?
2. Do you undertake any CSR activities in your host communities?
3. What kind of CSR activities are being carried out currently?
4. Do the communities have any impute into the programmes/activities?

5. In what ways are the programmes /activities beneficial to the community?
6. In what ways are the programmes /activities detrimental to the community?
7. How, if at all are the government involved at each stage of the projects?
8. Who or what determines the kind of programmes/ activities to be undertaken?
9. Do you consider such projects sustainable?

THEME: Review past and current disputes and conflict

TARGET GROUPS: Host communities and oil companies

1. Have your family always lived in this region?
2. Have there been disputes or conflicts you know about?
3. Have there been any disputes or conflicts with regard to oil company activities that you know about?
4. What would you attribute these disputes/conflicts to? (can only be asked if Q3 is positive)
5. Have you witnessed any personally?
6. Who are the actors in the disputes or conflicts? (can only be asked if Q3 is positive)
7. What do you think can be done to resolve this?

THEME: Views and perception of multinational oil companies by host communities

TARGET GROUP: Host communities

Questions:

1. Are you a member of this community?
2. Are you aware of oil exploitation activities in your community?
3. How do you see/relate to the oil companies?
4. What benefits have you derived from their activities?
5. Have there also been problems?

6. What things do they do for your community – examples of services, infrastructure etc.
7. What do you think they should do for your community?
8. In what ways are you involved in their activities?
9. Are you better off now than before oil was discovered?
10. Would you say that the oil companies have affected your standard of living? If yes, to what extent and how?
11. Are you in support of continued extraction of oil in this region?

INTERVIEW PROCESS: I will first talk with members of one of the host communities where I will ask some these questions. This is because the host communities are at the receiving end as regards CSR and oil extraction activities. This data will then be used to inform the next phase of interviews which will be with officials of the multinational oil company and NDDC to hear their own side of the story.

The first set of data will be saved and I will then conduct a second set of interviews with the second host community where I will ask similar questions as that of the first community to compare their view points. The issues raised from these two sets of data will then be used to inform the focus group discussion.

Appendix B: Consent Form

CONSENT FORM

STUDY TITLE: UNDERSTANDING THE RELATIONSHIP BETWEEN MULTINATIONAL OIL COMPANIES AND HOST COMMUNITIES; A CSR STUDY

Thank you so much for agreeing to take part in an interview for my research. The purpose of this form is to make sure that you are happy to take part in the research and that you know what is involved.

Have you had the opportunity to ask questions and discuss the study?	YES /NO
If you have asked questions have you had satisfactory answers to your questions?	YES/NO/NA
Do you understand that you are free to end the interview at any time?	YES/NO
Do you understand that you are free to choose not to answer a question without having to give a reason why?	YES/NO
Do you agree to take part in this study?	YES/NO
Do you agree to the interview being audio-recorded?	YES/NO
Do you grant permission for extracts from the interview to be used in reports of the research on the understanding that your anonymity will be maintained?	YES/NO
Do you grant permission for an extended, but anonymised, extract from the interview to be included as an appendix in the final report?	YES/NO

SIGNED.....……

NAME IN BLOCK LETTERS.....……...

DATE.....

Appendix C: Community Assisted Projects

LIST OF COMMUNITY ASSISTED PROJECTS BY NNPC/MPN JOINT VENTURE

Table 5.1: Examples Education Projects undertaken by MPN in host communities (2013 – 2014)

S/No	Project	Sector	Amount (N)	Location / LGA
1	Salary subvention to education workers in riverine communities (Ibeno)	Education	10,000,000.00	Ibeno LGA
2	Procurement of Science Laboratory equipment for Independence High School, UKana; and Govt. Sec. School, Nto Nsek.	Education	8,000,000.00	Essien Udim LGA
3	Procurement of Science Laboratory equipment for Etinan Institute; and St. Theresa's Sec. School, Edem Ekpatt.	Education	8,000,000.00	Etinan LGA
4	Procurement of Science Laboratory equipment for Sec. Grammar School, Ebughu; and Uda Community School, Uda.	Education	8,000,000.00	Mbo LGA
5	Procurement of Science Laboratory equipment for Cornelia Connelly College, Afaha Oku; and Secondary School, Etoi.	Education	8,000,000.00	Uyo LGA
6	Procurement of Science Laboratory equipment for National High School, Etebi; and Sec. School, Edo,	Education	8,000,000.00	Esit Eket LGA
7	Procurement of Science Laboratory equipment for Okat Sec. School; and Community Sec. School, Nung Oku Itina.	Education	8,000,000.00	Onna LGA
8	Procurement of School Furniture to JV (Joint Venture)-funded classroom block at Ibeno Grammar School, Upenekang.	Education	4,500,000.00	Ibeno LGA
9	Procurement of School Furniture to JV funded Classroom block at Girls High School, Ikot Ibiok, Eket.	Education	4,500,000.00	Eket LGA
10	Procurement of School Furniture to JV funded Classroom block at Community Sec. School, Akpautong.	Education	4,500,000.00	Esit Eket LGA
11	Procurement of School Furniture to JV funded Classroom block at Community	Education	4,500,000.00	Onna LGA

	Sec. School, Nung Oku Itina.			
12	Procurement of School Furniture to JV funded Classroom block at St. Mark Primary School, Oron.	Education	4,500,000.00	Oron LGA
13	Procurement of School Furniture to JV funded Classroom block at Community Sec. School, Okoroette.	Education	4,500,000.00	Eastern Obolo LGA
14	Procurement of School Furniture to JV funded Classroom block at Ini Sec. School, Ikpe Ikot Ikon.	Education	4,500,000.00	Ini LGA
15	Procurement of School Furniture to JV funded Classroom block at Lutheran High School Ikot Obong Edong.	Education	4,500,000.00	Ikot Ekpene LGA
16	Procurement of School Furniture to JV funded Classroom block at Adiaha Obong Sec. School, Ekpene Ukim.	Education	4,500,000.00	Uruan LGA
17	Procurement of School Furniture to JV funded Classroom block at Salvation Army Sec. Sch. Akai Ubium.	Education	4,500,000.00	Nsit Ubium LGA

Source: MCN Scorecard, 2014 pg 1-4.

Table 5.2: Examples Health Sector Projects undertaken by MPN in host communities (2013 – 2014)

S/No	**Project**	**Sector**	**Amount**	**Location / LGA**
1	Salary subvention to health workers in riverine communities in Ibeno	Health	10,000,000.00	Ibeno LGA
2	Salary subvention to Vesico Vaginal Fistula Centre, Mbribit Itam.	Health	12,000,000.00	Itu LGA
3	Equipping of Health Centre, Atabrikang.	Health	4,000,000.00	Ibeno LGA
4	Equipping of Health Centre, Ebe Ekpi.	Health	4,000,000.00	Esit Eket LGA
5	Equipping of Health Centre, Ikot Abasi Obio Nkan.	Health	4,000,000.00	Mkpat Enin LGA
6	Equipping of Health Centre, Ikot Akpamba.	Health	4,000,000.00	Nsit Ubium LGA

7	Provision of Medical equipment and drugs to VVF Centre, Mbribit Itam.	Health	5,000,000.00	Itu LGA
8	Support of Motherless Babies homes in Eket and Onna.	Health	20,000,000.00	Eket LGA Onna LGA
9	Provision and maintenance of Bus (complete with seat-belt) service to students in Ibeno LGA.	Health	4,500,000.00	Ibeno LGA
10	Procurement of 75 Laptops to members of NUJ (Nigeria Union of Journalists), Akwa Ibom State Council.	ICT	8,000,000.00	Akwa Ibom State
11	Procurement of one (1) 24 tons Wack Truck for Ibeno LGA	Transport	28,000,000.00	Ibeno LGA
12	Close-out activities for JV Fish Projects at Ibeno and Nsit Ubium	Fisheries	2,500,000.00	Ibeno LGA Nsit Ubium LGA
13	Procurement of one (1) 24 tons Wack Truck for Eket LGA	Transport	28,000,000.00	Eket LGA
14	Cleaning of eight major roads and drains in Eket Urban	Transport	1,600,000.00	Eket LGA

Source: MCN Scorecard, 2014 pg 1-4.

Table 5.3: Completed Community Assistance Water Projects (2013)

S/No	**Project /Description**	**Sector**	**Location / LGA**
1	Procurement and installation of water treatment system at two locations – Ikot Ebidang (Onna LGA) and Ikot Akpan Edemaya (Ikot Abasi)	Water	Onna LGA Ikot Abasi LGA
2	Provision of mini water project at Ikot Nkebek	Water	Nsit Ubium LGA
3	Rehabilitation of mini water project at Wellington Bassey Barrack, Ibagwa.	Water	Abak LGA
4	Mini water project with treatment plant at Ikot Akpan Abia.	Water	Ibesikpo – Asutan LGA
5	Mini water project with treatment plant at Ikot Akpan Ike	Water	Nsit Atai LGA
6	Mini water project with treatment plant at Mkpok	Water	Onna LGA
7	Water supply project with treatment at Iwuaochang.	Water	Ibeno LGA

8	Water supply project with treatment at Upenekang	Water	Ibeno LGA
9	Rehabilitation of water project with treatment at Atabrikang	Water	Ibeno LGA
10	Provision of Speed Breakers at Apostolic Road Junction, Ibeno Esit Eket Junction	Road	Ibeno LGA
11	Mini water project with treatment plant at Udesi Isong Inyang	Water	Mbo LGA
12	Mini water supply project with treatment plant at Okop Ndua Erong	Water	Ibesikpo – Asutan LGA
13	Mini water supply project with treatment at Kampa	Water	Eastern Obolo LGA
14	Reactivation of water project at Ikpe Ikot Nkon	Water	Ini LGA
15	Mini water supply project with treatment plant at Ididep	Water	Ibiono Ibom LGA
16	Mini water supply project with treatment plant at Mbokpu Eyokan	Water	Oron LGA
17	Provision of water bore hole at Nduo Eduo High School, Okon.	Water	Eket LGA
18	Provision of mini water project at Students' Library Complex, Opposite LGA Secretariat, Upenekang	Water	Ibeno LGA
19	Provision of bore hole at Akwa Iman Civic Centre	Water	Onna LGA
20	Provision of mini water works at Civic Centre, Afaha Ekpenedi	Water	Esit Eket LGA

Source: MCN, 2013 Scorecard Pg 1-4

Appendix D: List of States in Nigeria and the Number Of LGAs

Table 5.4: Nigeria's states and local governments created during military rule

S/No	State	Region	No. Of Local Govt. Areas	Population (2006 Census)
1	Abia	South East	17	2,845,380
2	Abuja (FCT)*	North Central	6	1,406,239
3	Adamawa	North East	21	3,178,950
4	Akwa Ibom	South South	31	3,902,051
5	Anambra	South East	21	4,177,828
6	Bauchi	North East	20	4,653,066
7	Bayelsa	South South	8	1,704,515
8	Benue	North Central	23	4,233,641
9	Borno	North East	27	4,171,104
10	Cross River	South South	18	2,892,988
11	Delta	South South	25	4,112,445
12	Ebonyi	South East	13	2,176,947
13	Edo	South South	18	3,233,366
14	Ekiti	South West	16	2,398,957
15	Enugu	South East	17	3,267,837
16	Gombe	North East	11	2,365,040
17	Imo	South East	27	3,927,563
18	Jigawa	North West	27	4,361,002
19	Kaduna	North West	23	6,113,503
20	Kano	North West	44	9,401,288
21	Katsina	North West	34	5,801,584
22	Kebbi	North West	21	3,256,541
23	Kogi	North Central	21	3,314,043
24	Kwara	North Central	16	2,365,353
25	Lagos	South West	20	9,113,605
26	Nassarawa	North Central	13	1,869,377

27	Niger	North Central	25	3,954,772
28	Ogun	South West	20	3,751,140
29	Ondo	South West	18	3,460,877
30	Osun	South West	30	3,416,959
31	Oyo	South West	33	5,580,894
32	Plateau	North Central	17	3,206,531
33	Rivers	South South	23	5,198,716
34	Sokoto	North West	23	3,702,676
35	Taraba	North East	16	2,294,800
36	Yobe	North East	17	2,321,339
37	Zamfara	North West	14	3,278,873
	Total		774	140,431,790

*Abuja Federal Capital Territory (not a state).

Source: Federal Bureau of Statistics 2013.

Appendix E: The Mandate of NDDC

The mandate of NDDC comprises:

- Formulation of policies and guidelines for the development of the Niger Delta area.
- Conception, planning and implementation, in accordance with set rules and regulations, of projects and programs for sustainable development of the Niger Delta area in the field of transportation including roads, jetties and waterways, health, employment, industrialization, agriculture and fisheries, housing and urban development, water supply, electricity and telecommunications.
- Surveying the Niger Delta in order to ascertain measures necessary to promote its physical and socio-economic development.
- Preparing master plans and schemes designed to promote the physical development of the Niger Delta region and the estimation of the member states of the Commission.
- Implementation of all the measures approved for the development of the Niger Delta region by the Federal Government and the states of the Commission.
- Identify factors inhibiting the development of the Niger Delta region and assisting the member states in the formulation and implementation of policies to ensure sound and efficient management of the resources of the Niger Delta region.
- Assessing and reporting on any project being funded or carried out in the region by oil and gas companies and any other company, including non-governmental organizations, as well as ensuring that funds released for such projects are properly utilized.
- Tackling ecological and environmental problems that arise from the exploration of oil mineral in the Niger Delta region and advising the Federal Government and the member states on the prevention and control of oil spillages, gas flaring and environmental pollution.
- Liaising with the various oil mineral and gas prospecting and producing companies on all matters of pollution, prevention and control.
- Executing such other works and performing such other functions, which in the option of the Commission are required for the sustainable development of the Niger Delta region and its people

Source; NDDC Bulletin, 2002 pg 2

Appendix F: NDDC Projects

NIGER DELTA DEVELOPMENT COMMISSION

COMPLETED/ ONGOING PROJECTS IN AKWA IBOM STATE

	DESCRIPTION	LOCATION	L.G.A
BRIDGE			
1	CONTRUCTION OF BRIDGE	OKON	IKOT ABASI
BUILDING			
1	COMP. WORKS FOR 6 CLASSROOM	IKOT AKPADEM	MKPAT ENIN
2	REHAB. OF CLASSROOM BLOCK AT PRIMARY SCHOOL	IBAKA	MBO
3	CONST. OF 1 NO. 6 CLASSROOM, AN OFFICE AND STORE	UKAM	MKPAT ENIN
4	CONST.OF 1 NO. 6 CLASSROOM WITH 1 NO. STAFF OFFICE & 1 NO. STORE AT NUNG ITA	IKOT IBRITAM	ORUK ANAM
5	CONST. OF 6 CRMS	IKOT USE EKONG	EKET
6	CONST. OF 6 CRMS	UDUNG UKO	UDUNG UKO
7	RENOVATION OF LAB. BLOCK	EDEMAYA	IKOT ABASI
8	REHAB. OF CLASSROOM BLOCK AT PRIMARY SCHOOL	OBO IKOT ITA	NSIT IBOM
9	CONST. OF 1 NO. CRB, AN OFFICE & A STORE AT PRIM. SCH	ORUKO	URUE OFFIONG/ORUKO
10	CONST. OF 1 NO. 6 CLASSROOM WITH OFFICE & STORE	IKOT INYANG	IKOT EKPENE
11	CONST. OF 6 CLASSROOM WITH OFFICE & STORE AT CENTRAL SCHOOL	NDIYA	NSIT UBIUM
12	REHAB OF HEALTH CENTRE	IDUNG UKO	UDUNG UKO
13	CONST. OF 1 NO. BLOCK OF 6 CLASSROOM, AN OFFICE AND STORE AT ST. SILAS PRI. SCHOOL	OKOROETTE	EASTERN OBOLLO
14	COMPLETION OF 1 NO. 6 CRB	AMADAKA	EASTERN OBOLLO
15	REHAB. OF CRB	UKANAIBA	ESSIEN UDIM
16	REHAB. OF 1 NO. 5 CLASSROOM BLOCK	NKWOT IKOT IMO	IKONO
17	COMP. OF 1. NO. 5 CLRMS	OKAT	ONNA
18	CONST. OF 1 NO. 6 CRB AT IKOT OBIO ATA	IKOT OBIO ATTA	IKONO
19	REHAB. OF HOSTEL BLOCK	ETINAN NSIT	ETINAN
20	REHAB. OF CLASSROOM	INEN	ORUK ANAM
21	COMPL. OF 1 NO. 6 CLASSROOM BLK	AFAHA ATAI	EKET
22	REHAB. OF APOSTOLIC HIGH SCHOOL	ESIT URUA	EKET
23	CONST. OF 6 CRMS	AFAHA ATAI	EKET
24	REHAB. OF 6 CLASSROOM	AFAHA EKPENEDI	ESIT EKET
25	COMP. OF 1 NO. DOC'S QUARTERS & BQ	IKO TOWN	EASTERN OBOLLO
26	REHAB. OF 1 NO. 5 CLASSROOM AT	NUNG UDOE	IBESIKPO ASUTAN

	LUTHERAN PRIMARY. SCHOOL		
27	RENOVATION OF 1 NO. 5 CLASSROOM	IKOT IBOM	ITAM ITU
28	CONST. OF 6 CRMS	IKOT EBO	URUAN
29	CONST. OF NO. 6 CLASSROOM	IKOT AKPAN ABIA	IBESIKPO ASUTAN
30	REHAB OF 1 NO 8 CRM BLK	IKOT EDOR	ONNA
31	REHAB. OF 6 CLASSROOM AT ST. AUGUSTINE SEC SCH.	URUAN INYANG	IKA
32	REHAB. OF 5 CLRS AT SENIOR SCHOOL	ORON	ORON
33	REHAB OF 8 CLASSROOM WITH OFFICE, STORE 7 6 NO. TOILETS AT HOLY FAMILY COLLEGE	OKU IBOKU	ABAK
34	CONST. OF 6 CRMS	OKU IBOKU	ABAK
35	DEVELPOMENT OF CIVIC CENTRE	ETE TOWN	IKOT ABASI
36	CONST. OF 1 NO. 6 CLASSROOM BLOCK WITH AN OFFICE & STORE AT COMM SEC. SCH	IKO TOWN	EASTERN OBOLLO
37	REHAB. OF BUILDINGS, PRIMARY &SEC SCHOOL AT COMM. SEC. SCH	EDOR	ESIT EKET
38	COMPL/REHAB OF 4 CLASSROOM BLOCK OFFICE 7 STORE & 4 TOILETS	ABAT	ONNA
39	CONST. OF 1 NO. 6 CRB	ITUK MBANG	URUAN
40	REHAB. OF5 CLASSROOM BLOCK AT PRY. SCH	IKOT INYANG	ETINAN
41	CONST. OF 1 NO. 6 CCRB	EWANG	MBO
42	CONST. OF 6 CRMS	EKA URUK ESHIET	ETIM EKPO
43	CONST, OF 1 NO. 6 CLASSROOM WITH OFFICE & STORE AT PRY SCH	IKOT UDO	ETIM EKPO
44	CONST. OF 6 CRB WITH OFFICE & STORE AT SACRED HEART PRY SCH IKWEN OBOT AKARA	IKWEN OBOT	OBOT AKARA
45	CONST. OF 6 CLASSROOM BLOCK AT ST. PAUL'S TECH COLLEGE	MKPANAK	IBENO
46	CONST. OF 6 NO. CLASSROOM WITH OFFICE AND STORE	ODOT	NSIT ATAI
47	REHAB OF 5 CLASSROOM	CORNELIA AFAHA OKU	UYO
48	REHAB OF CLASSROOM	IKOT ASE	ETIM EKPO
49	REHAB OF COMMUNITY SEC. SCHOOL	NDUO EDUO	EKET
50	CONST. OF 1 NO 6 CLASSROOM BLOCK OFFICE AND STORE	OKO ITA	IBIONO IBOM
51	REHAB. OF 5 CLASSROOM BLOCK AT PRY SCH OKOSI SCHOOL	OKOSI URUE	ORUKO
52	REHAB OF 1 NO. 5 CLASSROOM BLOCK WITH A STAFF ROOM	LUTHERAN PRIMARY SCH IBONG OTORO	ABAK

53	CONST. OF COMM CENTRE	IKOT IBIOK	EKET
54	CONST. OF 1 NO. 6 CLASSROOM WITH OFFICE AND STORE AT PRY SCH	NKARI	INI
55	REHAB. OF 6 CLASSROOM BLOCK AT SOUTHERN ONIONG PRY SCH	IKWE	ONNA
56	REHAB. OF 5 CRM	NTO EDINO	OBOT AKARA
57	REHAB OF 1 NO. 5 CLASSROOM BLOCK	EKPENE OBIO	ESIT EKET
58	CONST. OF 1 NO. BLOCK OF 6 CLASSROOM WITH OFFICE AND STORE AT C.S.C.	OKON ESSIEN	ESSIEN UDIM
59	CONST. OF 1 NO. BLOCK OF 6 CLASSROOM, AN OFFICE AND STORE AT PRY SCH	OKOBO	OKOBO
60	CONT. OF 1 NO. 6 CRB AN OFFICE & STORE BLOCK AT LUTHERAN HIGH	IKOT UDO MBANG	UKANAFUN
61	RENOVATION OF 5 CLASSROOM BLOCK AT PRI SCH	NDUKPOISE	NSIT UBIUM
62	REHAB. OF BUILDING PRIMARY & SEC. SCHOOL AT COMMUNITY SECONDARY SCHOOL	IDUNG INYANG	EKET
63	COMP. WORKS FOR 6 CLASSROOM	MKPANAK	IBENO
64	CONST/RECONT. OF 1. NO BLOCK OF 2 UNIT LAB BUILDING AT ONNA PEOPLES HIGH SCHOOL	ABAT	ONNA
65	COMPLETION OF 6 CLASSROOM AT ATAKPOR SEC SCH	ATAKPO	URUAN
66	REHAB. OF 5 CLASSROOM	ABA-EKPE	ESIT EKET
67	CONST OF 1 NO 6 CLASSROOM BLOCK, AN OFFICE AND A STORE AT PRIMARY SCHOOL	IWOCHANG	IBENO
68	CONST. OF NO 1 6 CLASSROOM WITH OFFICE AND STORE AT PRI SCH	NUNG OKU EKANEM	ONNA
69	COMPL/REHAB OF 2 NO BEDROOM FLAT (A STAF QTRS) 3 NO. FLAT 2X3X5	ABAT	ONNA
70	REHAB. OF 1 NO 5 CLASSROOM AT PRIMARY SCHOOL	IKOT ADA EDEM	IBIONO IBOM
71	CONST. OF 6 CRB	UYA	ORON
72	REHAB.OF CLASSROOM BLOCK AT PRIMARY SCHOOL	EFFIAT	MBO
73	CONST OF 1 NO. 6 CLASSROOM, OFFICE AND STORE	OKU IBOKU	ITU
74	COMPLETION OF 6 CLASSROOM BLOCK AT MODERN PRI SCH	IDUA	EKET
75	COMP. AND REHAB OF 1 NO. 6 CLASSROOM BLOCK AT ADIAHA OBONG GSEC SCH	EKPENE UKIM	URUAN
76	COMPLETION OF 6 CLASSROOM	ATIAMKPA	ONNA
77	CONST. OF COMM HEALTH CENTRE	IKOT UDO MBANG	UKANAFUN
78	CONST. OF 1 NO 6 CRB	OKPOTO	IKOT ABASI

79	COMPLETION OF 5 CLASSROOM	IKOT IBIOK	EKET
80	REHAB OF CLASSROOM BLOCK AT PRIMARY SCHOOL	IKOT ITIE IDUNG	NSIT ATAI
81	REHAB. OF 1 NO. DORMITARY BLOCK	ETINAN	ETINAN
82	REHAB. OF 1 NO. 5 CLASSROOM AT PR.I SCH	ATAK ORO	OKOBO
83	REHAB. OF 1 NO. 5 CLASSROOM AT SENIOR SCIENCE SCHOOL	IKOT EKPENE TOWN	IKOT EKPENE
84	CONST. OF 6 NO. CLASSROOM OFFICE AND STORE	ONIONG OFFORT	UYO
85	COMP. OF 6 CLASSROOM	UTIT URUAN	URUAN
86	CONST. OF COMM. HALL/ CIVIC CENTRE	ONNA	ONNA
ELECTIFICATION			
1	ELECTRICITY IKOT EKPUK STRINGING	IKOT EKOP	MKPAT ENIN
2	HT/LY DISRTIBUTION	IKOT AKPA ETUNG	NSIT IBOM
3	HT/LT AND TRANSFORMER SUBSTATION	ORUK EDOK	ORUKO
4	LT LINE	IKO EKWA	EKET
5	LT NETWORK AT IKOT AKAN, IKOT EDE, IKOT IYIRE, IKOT ASANG	IKOT ASANG	NSIT UBIUM
6	HT/LT DISTRIBUTION & TRANSFORMER	URUA INYANG	IKA
7	LT DISTRIBUTION AND TRANSFORMER SUBSTATION	OPOLOM	IBENO
8	ELECT. OF EKEFRE	EKEFRE	ORUK ANAM
9	ELECTRIFICATION PROJECT	ISONG INYANG	MBO
10	LT DISTRIBUTION	URUE OFONG	ORUKO
11	LT ELECTRIFICATION PROJECT	IKOT USEKONG	EKET
12	LT LINE	ESIT EKET	ESIT EKET
13	LINKING UP OF 15 ELECTRIFICATION PROJECT TO THE NATIONAL GRID	VARIOUS	VARIOUS
14	ELECTRIFICATION PROJECT LT	IKOT OBIO ATA, EDIENE ATAI-OSUK EDIENE	IKONO
15	HIGH TENSION ELECT	IKOT OBIO ATA	IKONO
16	HT/LT DISTRIBUTION	ETEBI AREA	ESIT EKET
17	LOW TENSION LINE	IKOT AKPAN UDO	IKOT ABASI
18	LT & HT DISTRIBUTION	IKOT IKO	IBESIKPO ASUTAN
19	TRANSFORMER SUBSTATION	IKOT ALPAN UDO	IKOT ABASI
20	HT/LT DISTRIBUTION AND TRANSFORMER SUBSTATION	GRA	IKOT EKPENE
21	LT DISTRIBUTION	ABA EKPE	ESIT EKET
22	LT DISTRIBUTION	EDEMAKAI	ABAK
23	HT/LT STRINGING	IKWEN/NTO OBIO IKANK	OBOT AKARA
24	HT/LT AND TRANSFORMR SUBSTATION	IKOT UBOK- IKOT EKET	NSIT ATAI
25	ELECTRIFICATION PROJECT	OKOROUTIP OPOLOM	IBENO

26	INSATALLATION OF 100KVA GEN. SET	NTA UYO	UYO
27	LT DISTRIBUTION	UKWOK	INI
28	HT/LT DISTRIBUTION	IDUNG UKO UDO	UKANAFUN
29	TRANSFORMER SUBSTATION	ELILE	EASTERN OBOLLO
30	ELECTRIFICATION PROJECT	OKOT AKPATEK IKWE & ODIO	ONNA & EKET
31	TRANSFORMER SUBSTATION	AKPAN UDO	IKOT ABASI
32	HT/LT DISTRIBUTION AND TRANSFORMER SUBSTATION	MIDIM-UTU EDEM	ABAK
33	LT STRINGING	IKOT ABIA	MKPAT ENIN
34	LT DISTRIBUTION	IKOT AKPAN UDO	IKOT ABASI
35	HT LT STRINGING AND TRANSFORMER SUBSTATION	ETINAN URBAN	N ETINAN
36	ELECTRIFICATION	OKOROETTE/ELILE/AMA DAKA	EASTERN OBOLLO
37	LT DISTRIBUTION	AFAHA NSI	IKA
38	HT STRINGING	IKOT AKPAN UDO	IKOT ABASI
39	HT STRINGING	ETEBI-ORUKUN	MBO
40	LINKING UP OF 15 ELECTRIFICATION PROJECTS TO THE NATIONAL GRID	VARIOUS	VARIOUS
41	LOW TENSION LINE	EKWA	EKET
42	ELECTRIFICATION PROJECTS	ITAM/AKA	ITU
43	HT/LT DISTRIBUITION AND TRANSFORMER SUBSTATION	UKAN IKOT AKPAN	IKOT ABASI
44	LT DISTRIBUTION	MKPATAK	ESSIEN UDIM
45	LT LINE	OKOPEDI	OKOBO
46	HT/LT DISTRIBUTION AND TRANSFORMER SUBSTATION	IKOT ABA TO IKOT OKOPDONG	MKPAT ENIN
47	HT/LT DISTRIBUTION	OBONG UTIT UDIM	ETIM EKPO
48	CONTRACT FOR THE ELECTRIFICATION PROJECT IN IKOT OKOW-NDA UKO-IKOT IKOWT	IKOT OKOW-NDA UKO-IKOT IKOWT	IKOT IKOWT
49	ELECT.OF MBIABET, NDOT & AKPAYAK COMMUNITY	AKPAYAK	INI
ROADS			
1	REHAB OF IKOT AKPADEN OKOROETTE ROAD	IKOT AKPADEN	MKPAT ENIN
2	CONSTRUCTION OF 25.50KM ETTE ENVIRONMENT IKOT AKPAN UDO-OKORO INYANG ROAD	IKOT AKPAN UDO-OKORO INYANG	IKOT ABASI
3	CONSTRUCTION OF IKOT EKANG JUNCTION- IKOT EDONG-OBIO AKPA ROAD	IKOT EDONG-OBIO AKPA	IKOT EKPENE
4	ROAD REHABILITATION PROJECT	NUNG OKU IKOT MBONG-IKOT UDO	ONNA

		ESSANG QUA IBOE RIVER	
5	CONSTRUCTION OF IWUO ACHANG ROAD, SECTION 11, 6.87KM & 31M BRIDGE	IKOT-ATABRIKANG-AKATA-OPOLOM	IBENO
6	CONSTRUCTION OF AKPATEK-IKWE ODIO ROAD	AKPATEK-IKWE ODIO	ONNA
WATER			
1	WATER PROJECT AT ENWANG	ENWANG	MBO
2	COMPLETION OF WATER PROJECT	IWOCHANG/UPENEKANG	IBENO
3	OMUM UYAM WATER PROJECT	OMUM UYAM	ETIM EKPO
4	WATER PROJECT	BETHELHEM	EASTERN OBOLLO
5	CIVIL WORKA AT IWUCHANG WATER	IWOCHANG/UPENEKANG	IBENO
6	IKOT ABAI/IKOT IMO OBIO WATER PROJECT	IKOT OBIO ATA	IKONO
7	WATER PROJECT	ENWANG	MBO
8	COMPLETION OF WATER PROJECT	ELILE/ AMADAKA	EASTERN OBOLLO
9	NDON EYO WATER PROJECT	NDON EYO	ONNA
10	WATER PROJECT	OBIANKA-IKONTA	EASTERN OBOLLO
11	WATER PROJECT	NTAK INYANG	ESIT EKET

Source: NDDC (2006) NDDC in Akwa Ibom State June 2001 – December 2005. Pg 17-21